

Financial Trends Monitoring Report

Clark County, Washington
2001

Prepared by
Clark County Auditor's Office
Financial Services Division



proud past, promising future

CLARK COUNTY
WASHINGTON

2001 Financial Trends Monitoring Report

Table of Contents

| | |
|---|------------|
| Transmittal Letter | iii |
| Fiscal Policies | vii |
| Revenues | 1 |
| Operating Revenue per Capita..... | 2 |
| General Fund Revenue per Capita | 3 |
| Road Fund Revenue per Capita..... | 4 |
| Restricted Operating Revenues | 5 |
| Tax Revenue per Capita | 6 |
| Intergovernmental Revenues per Capita..... | 7 |
| Capital Project Revenues..... | 8 |
| Licenses & Permits and Charges for Services Revenue | 9 |
| Enterprise Operating Revenues and Expenses | 10 |
| Uncollected Property Taxes | 11 |
| General Fund Revenue Variance | 12 |
| Expenditures | 13 |
| Governmental Expenditures per Capita | 14 |
| General Fund Expenditures per Capita | 15 |
| Road Fund Expenditures per Capita | 16 |
| Employees per Capita | 17 |
| Capital Project Expenditures per Capita | 18 |
| Personnel Expenditures | 19 |
| Employee Benefit Costs | 20 |
| Operating Position | 21 |
| General Fund Surplus or Deficit | 22 |
| Enterprise Funds..... | 23 |
| Fund Balance – General Fund and Permanent Reserve | 24 |
| Fund Balance – Road Fund | 25 |
| Retained Earnings – Insurance Reserves | 26 |
| Fund Liquidity – General Fund and Road Fund | 27 |
| Fund Liquidity – Building & Code Fund | 28 |
| Fund Liquidity – ER&R Fund..... | 29 |
| Debt Structure and Leave Liabilities | 30 |
| Short-Term Debt | 31 |
| Long-Term Debt | 32 |

| | |
|---|-----------|
| Debt Service Costs | 33 |
| Overlapping Debt per Capita..... | 34 |
| Paid Leave Liability | 35 |
| Condition of Physical Plant..... | 36 |
| Repair and Maintenance Costs | 37 |
| Funding for Capital Outlay..... | 38 |
| Capital Assets and Depreciation | 39 |
| Economic Base | 40 |
| Population of Cities and County | 41 |
| K-12 School Enrollment | 42 |
| Median Household Income..... | 43 |
| Registered/Participating Voters..... | 44 |
| Assessed Property Values | 45 |
| Residential & Commercial Development..... | 46 |
| Port of Vancouver Activity | 47 |
| Community Employment | 48 |
| Taxable Sale of Goods and Services | 49 |



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CLARK COUNTY
WASHINGTON

AUDITOR

GREG KIMSEY

November 12, 2002

Honorable Judie Stanton, Chair
Clark County Board of Commissioners
PO Box 5000
Vancouver, Washington

RE: Clark County Financial Trends Monitoring Report

Dear Commissioner Stanton,

It is with pleasure that we present you with this report on financial trends for Clark County through December 31, 2001.

INTRODUCTION

This report has been compiled in accordance with the provisions of the Clark County Fiscal Policy Plan, and includes trends of key financial and economic indicators for the government and community of Clark County, Washington.

Information for the report is derived from various county financial records and reports, including the Comprehensive Annual Financial Report (CAFR), and from various other local and state governments and agencies. This report updates the 2000 Fiscal Trends report published in July of 2001.

FISCAL POLICIES

The report presents the 17 fiscal policies included in the Clark County Fiscal Policy Plan. These policies provide guidelines for the prudent management of the County's finances. These guidelines are not absolute rules, but variation from them should be carefully considered and be of limited duration only.

We have provided a brief narrative following each policy statement that represents our opinion of the degree to which the County is in compliance.

FINANCIAL SERVICES

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FINANCIAL INDICATORS

The report presents 43 financial indicators as recommended in the Clark County Fiscal Policy Plan. The indicators are divided into six categories: Revenues, Expenditures, Operating Position, Debt Structure and Leave Liabilities, Condition of Physical Plant, and Economic Base.

At the beginning of each category, we have provided a summary of the trends in the ensuing pages. Each trend is classified as "favorable," "unfavorable," or "mixed."

A number of the trends have been impacted by the January 1, 1997, annexation by the City of Vancouver of the areas known as Cascade Park and Evergreen. This area contained approximately 55,000 residents, and the annexation significantly reduced property tax dedicated to road construction and maintenance and, to a lesser extent, sales tax. Because service provisions have also been reduced, the net direct impact of this annexation has not been significant on the overall financial condition of the County.

A summary of the 43 trends reveals the following:

- Thirty four of the indicators were judged "favorable". These ratings are found throughout the six categories, but are predominant in considering the County's revenue structure, expenditures, and condition of capital plant. Although the rate of growth in property taxes has slowed with the effect of voter initiatives, the continued strong growth in new construction continues to reflect a favorable rating. Activities that generate dedicated capital revenues continued to grow, although moderately. Fund balances and the permanent reserve continue to be at adequate levels.
- Seven indicators were labeled "mixed". This category was assigned if only a portion of the indicator was unfavorable, or if there is a trend showing the indicator moving in an unfavorable direction.

Short-term debt received a mixed rating reflecting continued borrowing for the County Fair, Building & Code and Water Quality. The Fair borrowing has been on a downward trend, but this was not the case in 2001, while Building & Code increased its short term debt to \$1.2 million. The 911 Tax Fund borrowed \$865,000 as part of a financial plan to provide for equipment replacement in the emergency dispatch center (CRESA). The Road Fund has repaid its short term debt.

Debt service costs deserve a watchful eye. Long-term debt continues to represent only a portion of what is allowed under legal limits and BOCC policy, but the trend of debt service costs is rising as the County has addressed a backlog of capital needs.

With the exception of Fire Districts, all entities that make up total overlapping debt increased their applicable amounts of debt in 2001. Although County debt as a percentage of total overlapping debt is the same as it was in 1992, at 13.7%, it is higher than it has been since then, with the exception of 1998, when it reached 14.3%.

Employee medical benefit costs continue to rise, faster than inflation, and the trend is not likely to change in the next few years. This is an area that the County will need to continue to review, in an effort to control costs.

Voter participation draws a mixed rating. After several cycles of increased participation, the 2001 election had a downward trend.

The Road Fund ending fund balance shows a significant decrease from 1997 through 2000. This decline reversed course in 2001, but part of this increase is due to a one-time revenue source.

Road Fund's liquid assets have decreased for the fourth consecutive year, as expenditures have outpaced revenues. The fund has had to be placed on a line of credit for short-term cash flow needs in both 2000 and 2001.

- Two trends were identified as unfavorable.

The Building & Code Fund continued to be problematic. Revenues were again less than expenditures for four out of the last five years, which lead to liquidity problems for the fund. The fund ended 2001 with a deficit of \$1,861,261, an increase in the deficit of \$311,261, despite an additional subsidy of \$1,000,000 from the General Fund in 2001.

County Unemployment rose to 7.1%, up from 4.9% in 2000 and 3.9% in 1999. At 7.1%, the County's unemployment rate is higher than that of both the Portland Metropolitan Area and the State of Washington. This trend is unlikely to continue in 2002, and should be monitored, as it is likely to have an effect on future revenues.

SUMMARY

The overall financial condition of the County at the end of 2001 is healthy. Long-term operational and strategic reserves are at adequate levels, and the use of long-term debt, while growing, still remains within acceptable levels.

In the short-term, attention may need to be focused on the County Road and the Building & Code funds, where liquidity issues are a concern. In the long-term, two significant challenges face the County—unmet service demands and restrictions placed on the growth of revenue for local governments.

Population growth increases demand for services in the long run, including capital facilities. The increase in the County's long-term debt reflects attempts to provide necessary capital facilities, as does the increase in overlapping debt for the community as a whole. This is reflected in "mixed" ratings in this report, but it should be noted that the backlog of capital facility needs are progressively being addressed.

In 1997 voters approved Referendum 47 which limited property tax increases to inflation as opposed to the previous 6% ceiling (excluding new construction). Voters approved initiative 722 in November 1999, and the Board of County Commissioners has chosen to

limit property tax increases to those set by I-722. Initiative 747 further limits the County's ability to increase property tax revenue (excluding new construction).

The year 2001 reflects the continuing impact of these property tax limitations. Total tax revenues as a percentage of total operating revenues has decreased consistently over the last six years, falling from 52.8% of total operating revenues in 1995 to 43.5% in 2002. The County has been successful in utilizing other revenue sources, but the slowdown in its rate of growth of property taxes will continue to challenge the County's ability to meet increased service demands.

Sincerely,

Greg Kimsey
Clark County Auditor

John Ingram

CLARK COUNTY FISCAL POLICIES

As of December 31, 2001

BACKGROUND

The Fiscal Policy Plan was first adopted by the Board of County Commissioners in 1982 and amended on August 2, 1994. Its purpose is to assist decision-makers by providing information and guidelines that cumulatively should ensure that Clark County continues to pursue a financially prudent course.

In this document we quote the fiscal policies (in italics) and give a brief description of County practices that relate to that policy.

POLICIES**Policy 1**

The County shall calculate and compile financial indicators, consistent with Appendix "A", for each year. Any indicator showing an unfavorable trend shall be analyzed to determine why the change has occurred. The County Administrator is authorized to add or delete financial indicators to reflect the needs of the County and the availability of relevant information.

This information is provided as part of this report.

Policy 2

Clark County shall annually forecast revenues and expenditures for the next three to five years for the General Fund and Road Fund. Forecasts should reflect the County's multi-year capital improvement plans. Other funds should be forecast to the extent that they are material and can be reasonably predicted.

The Budget Office, the Auditor's Office, and the Treasurer's Office jointly prepare multi-year forecasts of revenues. As part of the biennial budget process, the Budget Office forecasts the General Fund in detail and major changes to this base for an additional two years. Public Works staff includes expenditure forecasts for the Road Fund as part of the six-year transportation capital construction program and Conservation Futures funds for open space acquisition.

Policy 3

Clark County shall proactively seek citizen involvement in evaluations of services and service levels.

Clark County's budget process furnishes extensive opportunities for citizen involvement in the evaluation of programs and the allocation of resources. Budget meeting notices are published in local newspapers and public hearings are held, at which time the BOCC seeks input from staff and citizens, as it considers and ultimately adopts the budget. The County also has numerous

advisory boards that provide citizen evaluation and advice on a continuous basis over many program areas.

Policy 4

Clark County will accept State and Federal money to fund programs mandated by law; or programs established as a local priority after taking local contributions into account.

The Board of County Commissioners approves grant-funded contracts. Most local match for grant-funded programs relate to infrastructure needs that are included in the County's Comprehensive Plan and the Six-Year Transportation Improvement Program.

Policy 5

Clark County will set charges for each enterprise fund (sewer, solid waste, etc.) at a level which supports the direct and overhead costs of the enterprise, primarily by fees, grants, or other sources consistent with the direction of the Board of County Commissioners.

Operating activities for enterprise funds are in surplus.

Policy 6

Clark County will pursue a fair and equitable process for the collection of property tax and all other revenues, with the goal of minimizing delinquencies.

At December 31, 2001, uncollected property tax amounted to \$2.3 million, which is 3.7 percent of the current tax levy. The percent collected has averaged 94% over the last five years, dropping from 96% over the five years ending 2000.

Policy 7

Clark County management is required to comply with budgetary restrictions. A reporting system will be provided to help managers monitor and adhere to financial constraints.

The Auditor's Office monitors compliance with budgetary restrictions and provides departments with a variety of monthly reports to assist managers in controlling expenditures.

Policy 8

Clark County will provide for adequate maintenance of capital facilities and equipment, and for their orderly replacement, if necessary.

The County finances two revolving funds that provide for the maintenance, repair, and orderly replacement of heavy equipment, vehicles, and personal computers. In addition, the County has adopted long-term major maintenance programs for facilities and parks and has developed a long term plan to replace various “legacy” information systems.

Policy 9

Clark County shall establish reserve funds to pay for needs caused by unforeseen events. Reserves shall be held to address the following circumstances: 1) Catastrophic reserves, to provide limited emergency funds in the event of natural or manmade disasters; 2) Operational reserves, to provide additional funds for limited, unexpected service needs; 3) Liquidity reserves, to provide funds sufficient to insure smooth running of the County and pay current obligations; and 4) Capital reserves to facilitate the orderly replacement or acquisition of capital facilities and equipment. An amount equivalent to between six percent and ten percent of the General Fund operating budget shall be held in a separate reserve. Individual fund managers shall maintain reserves to address operational and liquidity needs for the funds under their control.

The County has established and funded a permanent reserve fund. At December 31, 2001, the balance in this reserve fund represented approximately \$6.1 million, or 6.0% of the General Fund operating expenditures and transfers.

Policy 10

Capital improvements must be designed to provide sufficient benefits for the expected cost. Benefits can be economic or social values expressed in the Capital Improvement Plan, or can be based on a cost benefit analysis of all relevant costs.

Most capital expenditures are reflected in the County’s Comprehensive Plan and the Six-Year Transportation Improvement Program. The economic and social values of these projects are expressed in these plans. Additional evaluation of capital improvements is performed at the departmental level and examined by the Budget Office. Formal cost/benefit analysis is not performed in all cases.

Policy 11

Clark County shall develop and adopt multi-year capital improvement plans to guide current and future major capital facility and equipment expenditures.

The capital facilities element of the Comprehensive Plan addresses infrastructure and utility needs and is augmented by more detailed plans such as the Six Year Transportation Improvement Program and open space acquisition programs supporting the expenditure of Conservation Futures

funds. Multi-year plans have been developed for parks as part of a package of impact fee and Real Estate Excise Tax (REET) increases adopted in 1996.

Policy 12

Clark County will develop investment strategies to maximize return on investments while protecting the public's assets.

The County Treasurer performs various cash flow analyses to determine size and duration of investments; has established and implemented a local government investment pool to maximize buying power and flexibility; and has developed investment policies and standards to manage the County's portfolio.

Policy 13

The County shall restrict direct debt to the limit identified in Article 8, Section 6 of the Washington State Constitution. In addition, the County will be prudent when considering appropriate levels of debt, limiting debt service to the County's current and future ability to finance that service without diminishing core services. In recognition of the value of the County's ability to raise money at competitive rates, the County will also consider the impact of any new debt on future bond ratings. Biennial budget appropriations shall include debt service payments and reserve requirements identified in bond covenants for all outstanding debt.

The County's available non-voted debt level was approximately \$363 million, up from \$348 million in 2000. Outstanding debt subject to this limit at the end of 2001 was \$99.3 million (as compared with \$67 million in 2000), or 27.3% of the debt limit (compared to 19.2% in 2000). Total governmental long-term debt (not including proprietary funds) was \$100.6 million.

Policy 14

Clark County recognizes that net direct debt service should be no more than ten percent (10%) of the operating revenues of the issuing fund and the General Fund combined.

Debt service in 2001, excluding enterprise funds, was \$9.7 million in 2001, up from \$8.5 million in 2000. Debt service paid from the Conservation Futures fund equaled 1.7% of General Fund and Conservation Futures revenue. Debt service paid from the Real Estate Excise Tax (REET) Fund equaled 2.5% of General Fund and REET revenue (up from 1.9% in 2000). Debt service paid from the Telephone Tax Fund equaled 2.3% of General Fund and Telephone Tax revenue. Debt service paid from the General Fund equaled 2.1% of General Fund revenue in 2001, down from 2.4% in 2000.

Policy 15

Where possible, Clark County will use revenue or other self-supporting bonds instead of general obligation bonds except where significant interest differences become a primary consideration.

As of December 31, 2001, the County (including proprietary funds) had \$144.6 million outstanding in long-term debt for principal payments, up from \$121 million at December 31, 2000. Of that, \$41.8 million, or 28.9%, is in revenue bonds.

Policy 16

Clark County will not use long-term debt to finance current operations. Long-term borrowing will be confined to capital improvements or similar projects with an extended life which cannot be financed from current revenues.

All long-term debt has been used to finance capital improvements or acquisition, or for the development of long-term plans ultimately leading to capital improvements.

Policy 17

Clark County will keep the maturity of general obligation bonds consistent with or less than the expected lifetime of the project, with a goal of amortizing at least an average of five percent (5%) of project costs per year. All future long-term debt will have prepayment options unless alternative debt structures are judged more advantageous to the County.

General obligation bonds issued at the end of 2001 have a life of 20 years or less, with the exception of the campus development bonds (\$37 million), which will be repaid over 25 years.

Revenues

This section analyzes the County's revenues by looking at cross-sections of revenue. All of the trends appear to be favorable to the County's financial position as a whole, although some County funds may have some revenue problems.

Operating Revenue Per Capita. The average growth rate in total revenues over the last five years is 7.3%, while the adjusted operating revenues per capita for the same period is 1.2%. Charges for services and intergovernmental revenue have the largest percentage increases. Property taxes have slowly declined in their percentage of total over the past ten years. Rating: **Favorable**.

General Fund. General Fund revenue has grown at a rate that has kept up with inflation and population growth. Increases in charges for services and non-property-based taxes offset some of the property tax losses due to Referendum 47 and Initiative 747. Both measures have cumulative effects, that will lead to future reductions in property tax revenue as a percentage of total revenue. Rating: **Favorable**.

Road Fund. Road fund revenue increased 20.6% in 2001 from 2000 levels, and show an average of 8.4% per year for the last five years. Most of the increase was in intergovernmental revenues (grants). Adjusted for inflation, growth in 2001 was 17.6%. Rating: **Favorable**.

Restricted Operating Revenues. Revenue in the Special Revenue funds continued to grow in 2001, as is the case for most of the last ten years. As a percentage of total County operating revenue, restricted revenues increased from 47% in 2000 to 51% in 2001. The Road Fund, Mental Health Fund, and Building & Code Fund make up 72% of these revenues. Rating: **Favorable**.

Tax Revenues. Tax revenue per capita have slightly increased over the past 10 years, as adjusted for inflation. Taxes have decreased, as a percentage of total operating revenues, from 50.7% in 1992 to 43.5% in 2001. Rating: **Favorable**.

Intergovernmental Revenues. The 2001 increase was 33% over 2000 levels, and was primarily contained in the Road and Mental Health

funds. Per capita revenues, adjusted for inflation, were \$148 in 2000 compared with \$119 five years ago and \$89 ten years ago. Rating: **Favorable**.

Capital Project Revenues. Capital Project revenues have fluctuated over the past ten years, as a percentage of total operating revenues. Revenues received by the REET fund increased by 26.8% in 2001, while revenues received by Conservation Futures decreased by 38.5%. The changes are due to fluctuations in intergovernmental revenues received from one year to the next. Development Impact Fee revenues decreased by 13.6% in 2001, attributed to a decrease in traffic impact fees (due to less commercial units permitted). Rating: **Favorable**.

Licenses & Permits and Charges for Services Revenues. Licenses & Permits revenue has increased slightly over the last ten years. Charges for Services (fees) has more than doubled during this period, from \$12M in 1992 to \$29M in 2001. These two revenues have remained fairly consistent in their percentage of total revenues since 1992. Rating: **Favorable**.

Enterprise Operating Revenues. Operating revenues decreased by 1% in 2001, while operating expenses increased by 5%. Transferring the Meadow Glade sewer system to Hazel Dell Sewer District resulted in depreciation expense decrease in the Sanitary Sewer Fund of nearly \$194,000. The Solid Waste and Clean Water funds had increases in personnel and contract service expenses of \$437,421 in 2001. Revenues are adequate to pay for current operating expenses and capital costs. Rating: **Favorable**.

Uncollected Property Taxes. Outstanding delinquent taxes continue to be low, and current tax collection rates (about 96.4% over the last five years) are strong. Rating: **Favorable**.

General Fund Revenue Variance. General Fund revenues have averaged 1% above projected levels over the last eight years. Since 2001 is the first year of the biennium budget, there is no variance reported for this year. Rating: **Favorable**.

Operating Revenue Per Capita

Description

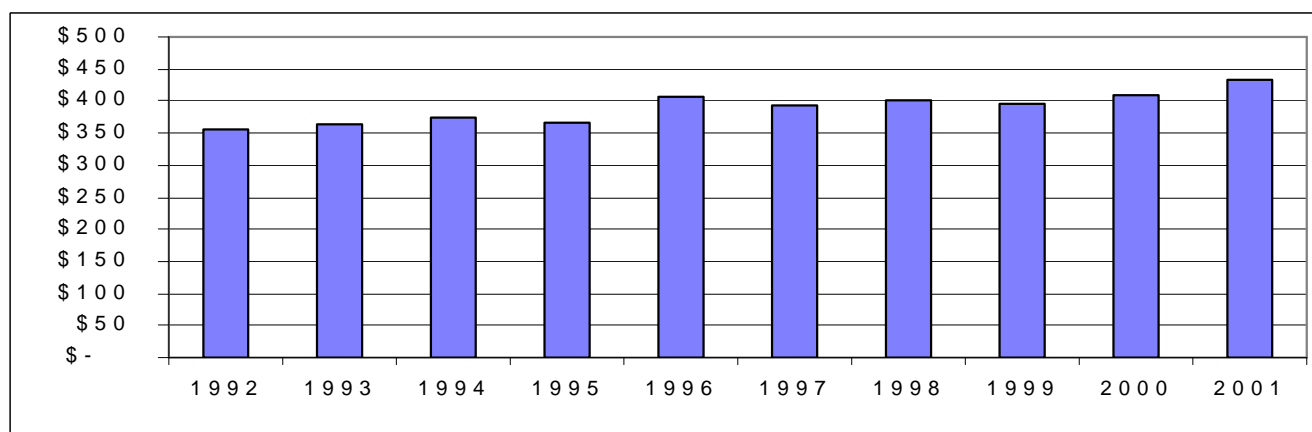
Taxes, licenses & permits, intergovernmental sources, charges for services, fines & forfeitures, and other miscellaneous sources. Does not include revenues from proprietary activity.

Source:

Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

Total Revenue / Total County Population

Operating Revenue Per Capita
(In Constant 1990 Dollars)

In Actual Dollars

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|---------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Total Operating Revenue (in \$1,000s) | 100,551 | 111,239 | 123,046 | 127,980 | 153,946 | 160,226 | 173,019 | 180,556 | 196,632 | 218,177 |
| Per Capita Revenue | 390 | 413 | 438 | 440 | 507 | 506 | 527 | 536 | 570 | 619 |

Analysis

In 2001, Countywide operating revenue grew by 10.96% over 2000 levels, while the average growth rate for the last five years has been 7.3% per year. Adjusting for inflation, growth in 2001 was 8.3% over 2000. The intergovernmental revenue category showed the largest growth, at 32.7% for 2001, followed by licenses & permits revenues, with a 16.5% growth.

As a percentage of total County revenues, taxes have been below 50% for the past six years. The ten-year trend shows a slow decrease of taxes as a percentage of total County revenues, from 50.7% in 1992 to 43.5% in 2001. During the 1992-2001 time frame, charges for services increased from 11.8% to 13.2% of total revenues and intergovernmental revenues have increased from 25.0% to 34.3%. Licenses & permits and fines & forfeitures have both decreased as a percentage of total County revenues during the past 10 years.

General Fund Revenue Per Capita

Description

Taxes, licenses & permits, intergovernmental sources, charges for services, fines & forfeitures, and other miscellaneous sources from general fund. Does not include transfers in from other funds.

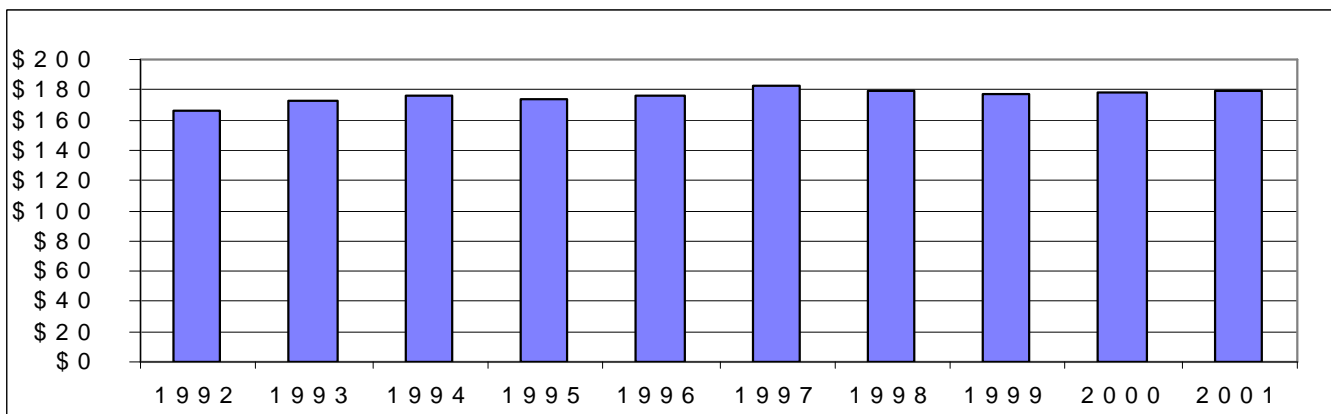
Source:

Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

General Fund Revenue / Total County Population

**General Fund Revenue Per Capita
(In Constant 1990 Dollars)**

**(In Actual Dollars)**

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Total General Fund Revenue (in \$1,000s) | 46,902 | 53,016 | 57,806 | 60,808 | 66,453 | 74,439 | 76,979 | 80,997 | 85,952 | 90,418 |
| Per Capita Revenue | 182 | 197 | 206 | 209 | 219 | 235 | 235 | 240 | 249 | 256 |

Analysis

General fund revenues per capita increased slightly in 2001 over 2000, and when adjusted for inflation, per capita general fund revenues have remained relatively constant for the past 10 years. Growth in general fund revenue, adjusted for inflation but not for population, has grown on average 3.5% per year for the last five years.

Much of that five year growth in actual revenue dollars has been in charges for services, which have increased 73% over the last five-years (from \$7.1M in 1997 to \$12.3M in 2001). Taxes have seen a 22.7% increase and licenses and permits have increased 18.6% over the same time frame. In 2001, property taxes were 42% of the total General fund revenues.

Road Fund Revenue Per Capita

Description

Taxes, licenses & permits, intergovernmental sources, charges for services, fines & forfeitures, and other miscellaneous sources from Road Fund.

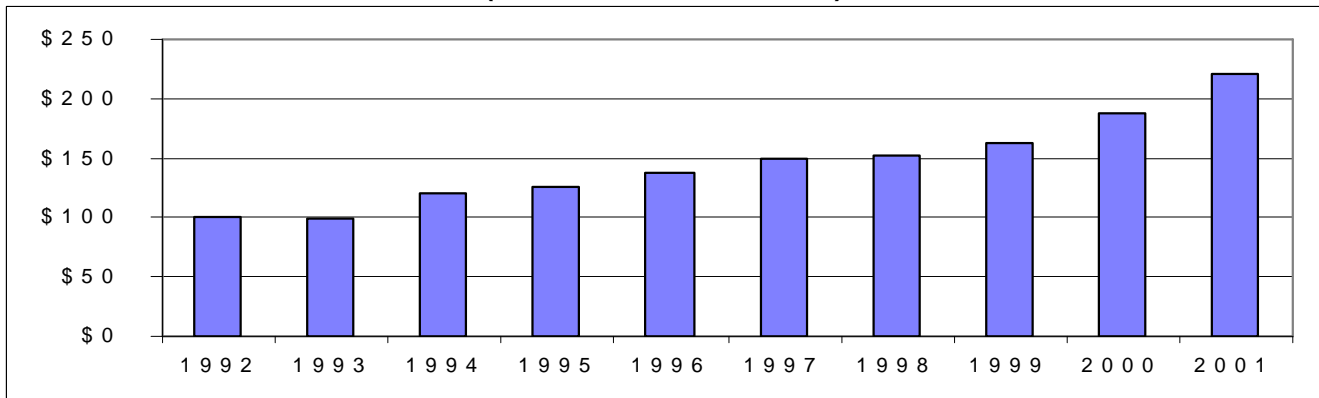
Source:

Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

Road Fund Revenue / Unincorporated Population

**Road Fund Revenue Per Capita
(In Constant 1990 Dollars)**

**In Actual Dollars**

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Total Road Fund Revenue (in \$1,000s) | 21,105 | 21,807 | 28,200 | 30,622 | 36,470 | 31,049 | 32,936 | 37,251 | 43,527 | 52,485 |
| Per Capita Revenue | 110 | 112 | 140 | 150 | 172 | 193 | 199 | 220 | 262 | 316 |
| Road Fund Revenue (excluding other jurisdictions) (in \$1,000s) | NA | NA | NA | 30,103 | 35,724 | 27,217 | 28,472 | 32,619 | 42,649 | 51,369 |
| Revenue Reimbursed from other jurisdictions (in \$1,000s) | NA | NA | NA | 519 | 746 | 3,832 | 4,464 | 4,632 | 878 | 1,116 |

Analysis

Road fund revenue increased 20.6% in 2001 from 2000 levels, compared with an average of 8.4% per year for the last five years. Most of the increase was in intergovernmental revenues. Adjusted for inflation, growth in 2001 was 17.6% over 2000.

Based on efforts by the Public Works department, there has been a significant increase the amount of revenue coming from other governments, primarily State road grants. Intergovernmental revenues jumped from \$11 million in 1997 to \$17 million in 2000, and to \$26.5 million in 2001.

Restricted Operating Revenues

Description

Revenues identified in special revenue funds that are restricted for special purposes in accordance with state statutes or local ordinances, including the Road Fund. Does not include revenue from General Fund, capital project funds, or proprietary funds.

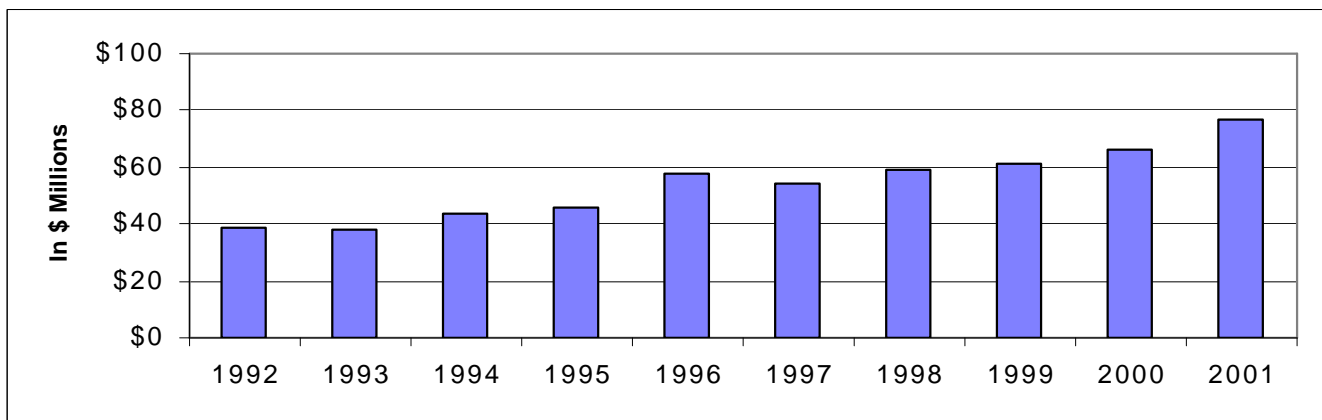
Source:

Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

Sum of All Special Revenue Fund Revenues

**Restricted Operating Revenues
(In Constant 1990 Dollars)**



In Actual Dollars / Percentages

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Restricted Operating Revenue (in \$1,000s) | 42,805 | 43,529 | 52,206 | 55,472 | 72,512 | 69,952 | 77,924 | 83,227 | 92,880 | 83,227 |
| As % of Total Operating Revenue | 42.57% | 39.13% | 42.67% | 43.34% | 47.10% | 43.66% | 45.04% | 46.09% | 47.24% | 51.10% |
| Road Fund as % of Restricted Revenue | 49.30% | 50.10% | 53.71% | 55.20% | 50.30% | 44.39% | 42.27% | 44.76% | 46.86% | 47.07% |
| Mental Health Fund as % of Restricted Revenue | 10.20% | 10.71% | 8.91% | 9.77% | 16.86% | 19.81% | 20.48% | 18.90% | 19.30% | 18.29% |

Analysis

Restricted operating revenue rose 20% in 2001. Adjusted for inflation, the increase was 17.1%. Adjusted for inflation, the growth rate in restricted operating revenues has been on average 8.1% per year for the last five years.

The Road fund had another strong year of revenues, increasing from \$43.5 million in 2000 to \$52.5 million in 2001. The Mental Health fund showed an increase from 2000 levels, ending the year with \$20.4 million in revenues. The Road fund and Mental Health fund accounted for 65% of total restricted operating revenues in 2001.

Tax Revenue Per Capita

Description

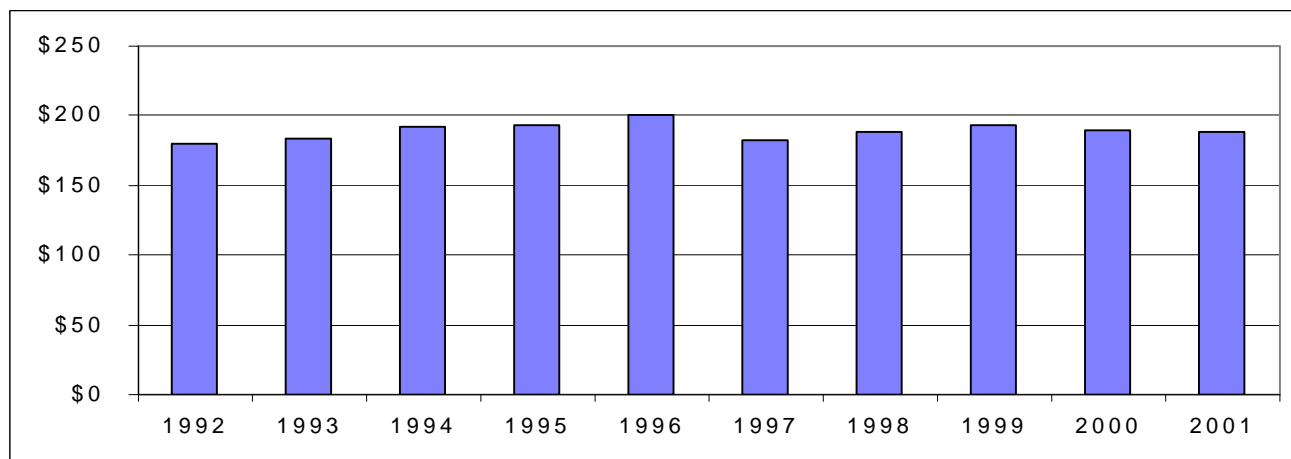
Property, sales & use, excise, hotel/motel, and other miscellaneous taxes are included. Does not include any proprietary activity.

Source:

Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

Total Taxes / Total County Population

**Tax Revenue Per Capita
(In Constant 1990 Dollars)**


In Actual Dollars / Percentages

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Tax Revenue (in \$1,000s) | 51,008 | 56,366 | 63,176 | 67,611 | 75,626 | 74,390 | 81,144 | 87,990 | 91,262 | 94,824 |
| Per Capita Tax Rev. | 198 | 209 | 225 | 232 | 249 | 235 | 247 | 261 | 265 | 269 |
| Property Tax as % of Total Tax Revenue | 59.5% | 59.5% | 61.2% | 63.0% | 63.2% | 62.4% | 64.1% | 65.6% | 66.2% | 66.2% |

Analysis

Tax revenue per capita declined in 1997 when 55,000 east County residents were annexed into the City of Vancouver. This reduced the sales tax revenue per capita, as well as the total tax revenue for that year. In non-adjusted dollars, tax revenue in 1997 decreased 1.6%, but in 1998 tax revenues increased 9.1%.

On April 1, 1999 two new tax revenue sources were implemented. The County began collecting a 0.1% sales tax for criminal justice, and after a study was completed in association with industry groups, an additional 2% Hotel/Motel tax was implemented.

In 2001, total tax revenues grew by 3.9%. Adjusted property tax revenues grew by 1.4%, while adjusted property tax per capita remained constant. Adjusted sales tax revenues remained constant in 2001, while adjusted sales tax per capita decreased by 2%.

Intergovernmental Revenues Per Capita

Description

Intergovernmental revenues in all funds from grants and contracts with other governmental agencies. Does not include taxes, permit revenue, charges for services, or fines. Does not include revenue from proprietary funds.

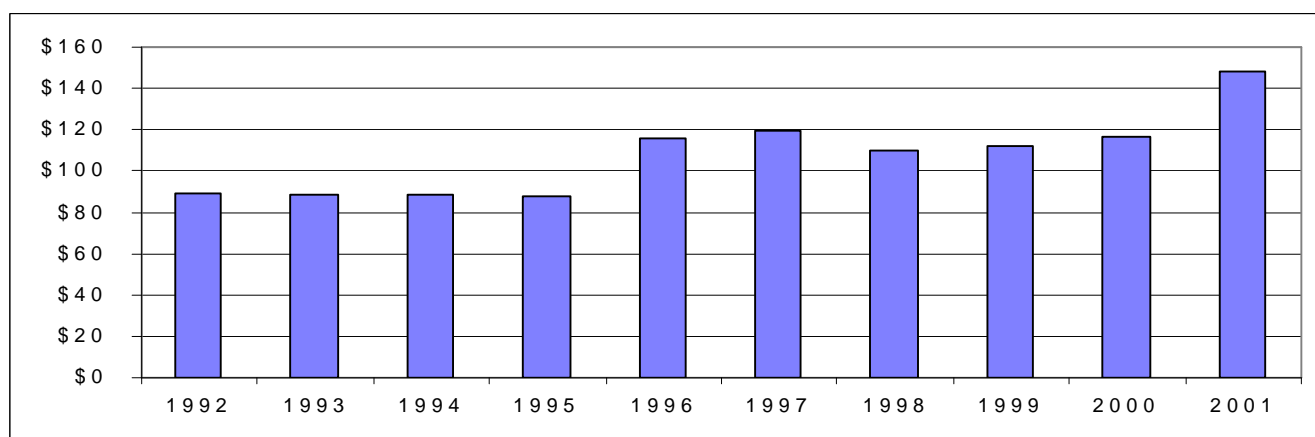
Source:

Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

Sum of All Intergovernmental Revenues /
Total County Population

Intergovernmental Revenues Per Capita
(In Constant 1990 Dollars)



In Actual Dollars / Percentages

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Intergovernmental Revenue (in \$1,000s) | 25,162 | 27,101 | 29,149 | 30,723 | 43,859 | 48,657 | 47,269 | 51,027 | 56,318 | 74,743 |
| As % of Total Operating Revenue | 25.0% | 24.4% | 23.7% | 24.0% | 28.5% | 30.4% | 27.3% | 28.3% | 28.6% | 34.3% |
| Per Capita Revenue | 98 | 101 | 104 | 106 | 145 | 154 | 144 | 151 | 163 | 212 |

Analysis

Intergovernmental revenues jumped from \$31 million in 1995 to \$44 million in 1996. In 1996, adjusted per capita revenues increased because of increased road capital grants and mental health grants. Road fund grants can fluctuate from year to year, while the Mental Health grants have shown a steadily increasing trend.

2001 experienced another large increase (33%), jumping to \$75 million (up from \$56 million in 2000). Road Fund intergovernmental revenues increased \$9.5 million (a 56% increase over 2000). In 2001, mental health, community service, General Fund, and "other funds" all showed a growth of at least 16% in intergovernmental revenues.

Per capita intergovernmental revenues, adjusted for inflation, took a dip in 1998, partly due to the expiration of a law enforcement services contract with the City of Vancouver. Since then adjusted per capita intergovernmental revenues have increased consistently, from \$110 in 1998 to \$116 in 2000, and to \$148 in 2001.

Capital Project Revenues

Description

Financing for the acquisition /construction of capital projects. Predominantly from Conservation Futures and REET funds. Includes taxes, impact fees, grant funding, and interest earnings. Does not include revenues in the General fund, special revenue funds (restricted), or proprietary funds.

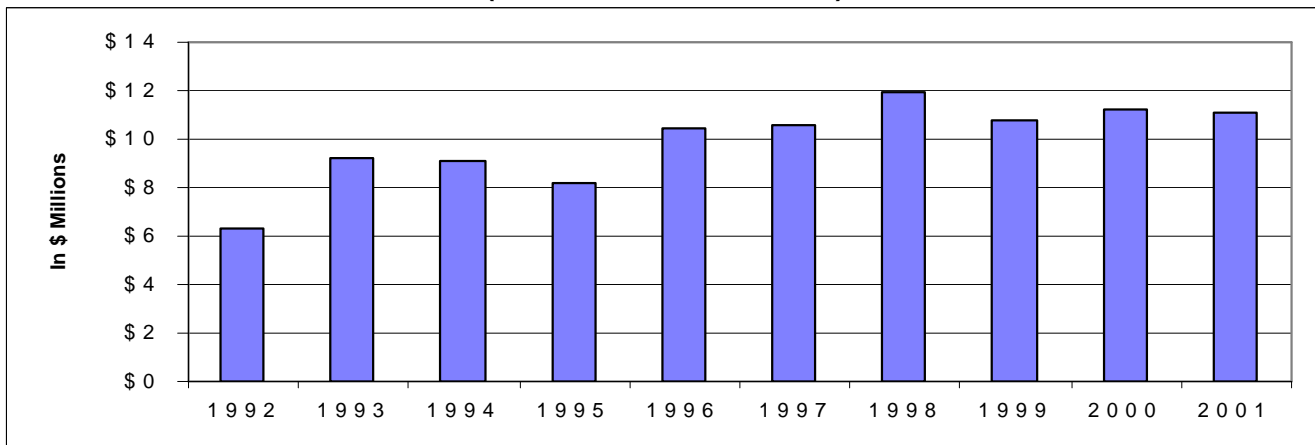
Source:

Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

Sum of All Revenues in Capital Funds

Capital Project Revenues
(In Constant 1990 Dollars)



In Actual Dollars / Percentages

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|---|-------|--------|--------|-------|--------|--------|--------|--------|--------|--------|
| Capital Project Revenue (in \$1,000s) | 6,949 | 10,448 | 10,663 | 9,819 | 13,025 | 13,653 | 15,676 | 14,588 | 15,700 | 15,908 |
| Impact Fees as % of Total Capital Revenue | 51.4% | 44.2% | 49.7% | 42.0% | 39.8% | 26.5% | 33.8% | 35.1% | 35.5% | 30.3% |
| Capital Revenue as % of Total Operating Revenue | 6.9% | 9.4% | 8.7% | 7.7% | 8.5% | 8.5% | 9.1% | 8.1% | 8.0% | 7.3% |

Analysis

Increases in capital revenues from 1996 to 1998 were due to an active construction environment and local market conditions that promoted housing sales. Total capital project revenues increased in 2001 by 1.3%, compared to 2000.

Real estate excise tax (REET) revenue doubled in 1996 with the introduction of a second 0.25% tax dedicated to parks development. REET revenues related to the sale and purchase of homes in the unincorporated areas increased by 12.5% in 2001.

Unlike the General fund and Road fund property taxes, the Conservation Futures property tax is a set percentage of assessed property value (\$0.0625 per \$1,000 of assessed value) and is not limited by Referendum 47. Conservation Futures revenue from taxes increased by 4.7% in 2001.

Licenses & Permits and Charges for Services Revenues

Description

Includes license & permit revenues and charges for services revenues for General Fund, special revenue funds, and capital funds. Proprietary funds are not included.

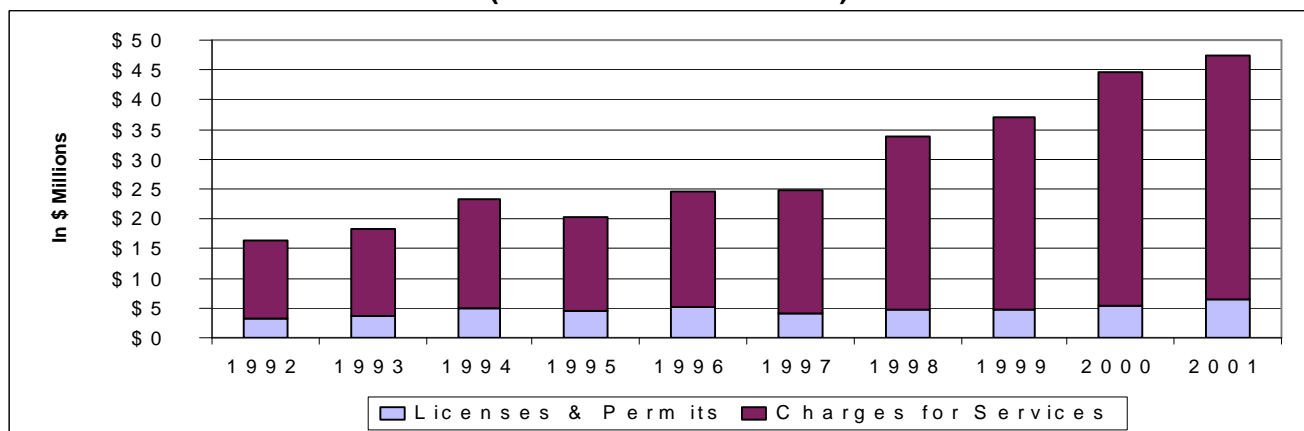
Source:

Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

Sum of License & Permit and Charges for Services Revenues

**License & Permit and Charges for Services Revenues
(In Constant 1990 Dollars)**



In Actual Dollars / Percentages

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| License & Permit Revenue (in \$1,000s) | 3,034 | 3,285 | 4,167 | 3,763 | 4,214 | 3,149 | 3,668 | 3,543 | 3,859 | 4,494 |
| Charges for Services Revenue (in \$1,000s) | 11,853 | 12,821 | 15,726 | 13,158 | 15,483 | 16,163 | 22,099 | 23,870 | 28,114 | 28,683 |
| License & Permits and Charges for Services as % of Total Operating Revs. | 14.8% | 14.5% | 16.2% | 13.2% | 12.8% | 12.1% | 14.9% | 15.1% | 16.3% | 15.2% |

Analysis

The changes in licenses & permits revenues are tied to activity in the construction industry. Over the last ten years the revenues have fluctuated up and down. In 2001 licenses & permits revenues increased by 16.5% over 2000. However, the overall change between 1994 and 2001 has been minimal (7.1% total over 8 years), from \$4.2 million in 1994 to \$4.5 million in 2001.

The significant growth has been in the area of charges for services, also known as fees. The first major rise came in 1992, with the full implementation of park and traffic impact fees under the Growth Management Act. In 2000, charges for services increased significantly (17.8 % or \$4.3M). Of the increase, \$2.7M was due to a change of accounting which resulted in road fund operation revenues previously reported in a proprietary fund being reported in the Road Fund. In 2001 charges for services remained fairly constant, with a slight increase of 2% over 2000.

Enterprise Operating Revenues and Expenses

Description

Revenues from enterprise activities that generate revenues in an effort to cover some or all operating expense. Enterprise activities in the County in 2001 were Sanitary Sewer, the Burnt Bridge Creek utility, Solid Waste, and the Clean Water Fund.

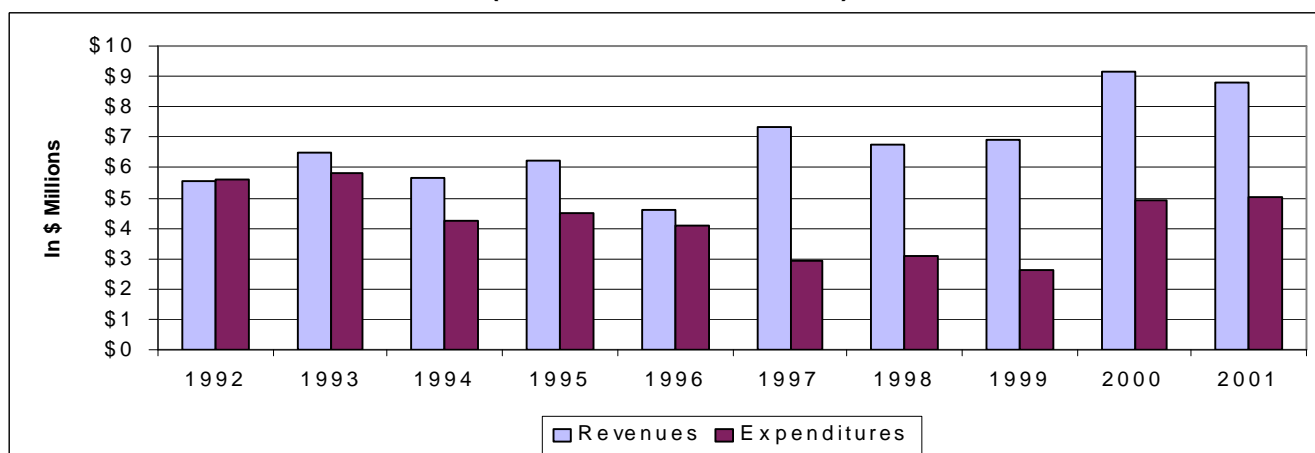
Source:

Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

Sum of Enterprise Fund
Operating Revenues and Expenses

Enterprise Revenues and Expenses
(In Constant 1990 Dollars)



In Actual Dollars

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|-------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|
| Operating Revenues (in \$1,000s) | 6,075 | 7,391 | 6,579 | 7,475 | 5,708 | 9,429 | 8,883 | 9,348 | 12,757 | 12,607 |
| Operating Expenses (in \$1,000s) | 6,122 | 6,592 | 4,935 | 5,440 | 5,083 | 3,803 | 4,080 | 3,537 | 6,897 | 7,226 |

Analysis

Total enterprise operating revenues decreased 1.2% while operating expenses increased 4.8% in 2001. Despite these changes, revenues outweighed expenses by \$5.4 million.

Sanitary Sewer operations are responsible for \$3.5 million of the \$5.4 million difference between revenues and expenses in 2001. Sanitary Sewer ended the year with \$8.2 million in unrestricted net assets; however, this is expected to decrease as the treatment plant and other assets are depreciated and costs associated with the next expansion of the treatment plant are incurred.

The Clean Water fund was established in 2000 to account for the activities related to the County's stormwater drainage systems in accordance with the Federal Clean Water Act. Operating revenues exceeded operating expenses by \$1.8 million in 2001. The fund ended the year with \$4.4 million in unrestricted net assets, which is partially a result of closing out the Burnt Bridge Creek fund and moving its assets/liabilities into the Clean Water Fund.

The Solid Waste Fund's revenues and expenses were nearly identical in 2001. The fund ended the year with \$5.6 million in unrestricted net assets

Uncollected Property Taxes

Description

The percentage of Clark County property taxes not collected in relation to taxes levied. Includes property tax for General Fund, Road Fund, conservation futures, mental health, developmental disabilities, and veterans assistance. Does not include property taxes for other districts (ports, schools, fire, cities, etc.)

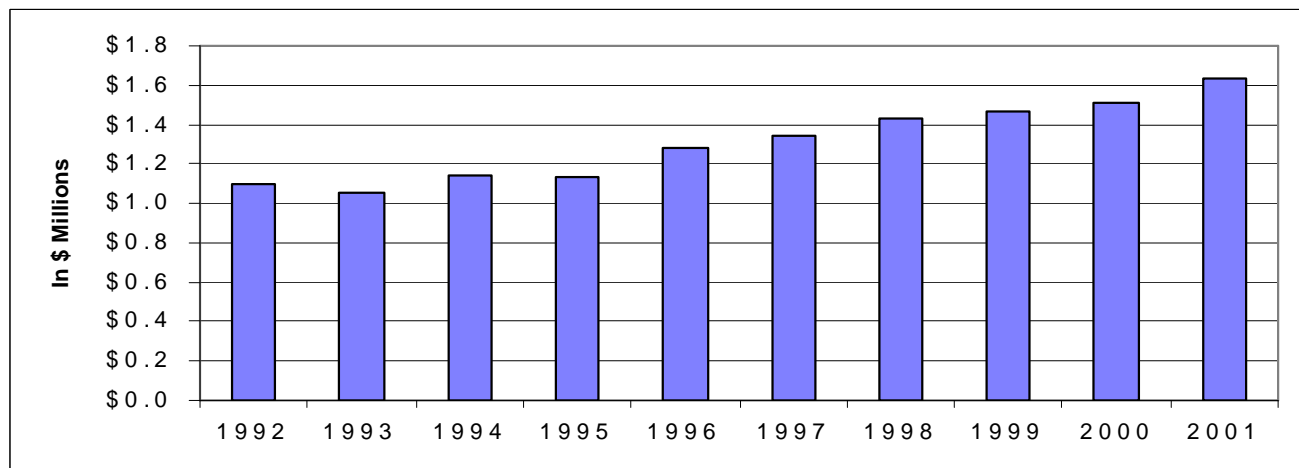
Source:

Clark County Treasurer Records

Calculation:

Uncollected Property Tax /
Total Property Tax Levied

Uncollected Property Taxes
(In Constant 1990 Dollars)



In Actual Dollars / Percentages

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|-----------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Delinquent Taxes (in \$1,000s) | 1,200 | 1,192 | 1,334 | 1,360 | 1,593 | 1,734 | 1,873 | 1,983 | 2,110 | 2,337 |
| As % of Tax Levy | 4.0% | 3.6% | 3.5% | 3.2% | 3.4% | 3.3% | 3.6% | 3.5% | 3.5% | 3.7% |

Analysis

Outstanding delinquent taxes as a percentage of the tax levy has been below 4% for the past 10 years. Additionally, the percentage of current taxes collected has been over 94% for the past ten years. Increases in the delinquent taxes as a percentage of the tax levy, or decreases in percentage of current taxes collected are seen as a risk to the County's financial condition as well as a negative factor used by bond rating agencies, such as Moody's. The County is in a strong and healthy position in relation to property tax collection.

General Fund Revenue Variance

Description

A comparison of actual General Fund revenues to projected (budgeted) revenues. Does not include revenue from funds other than General Fund.

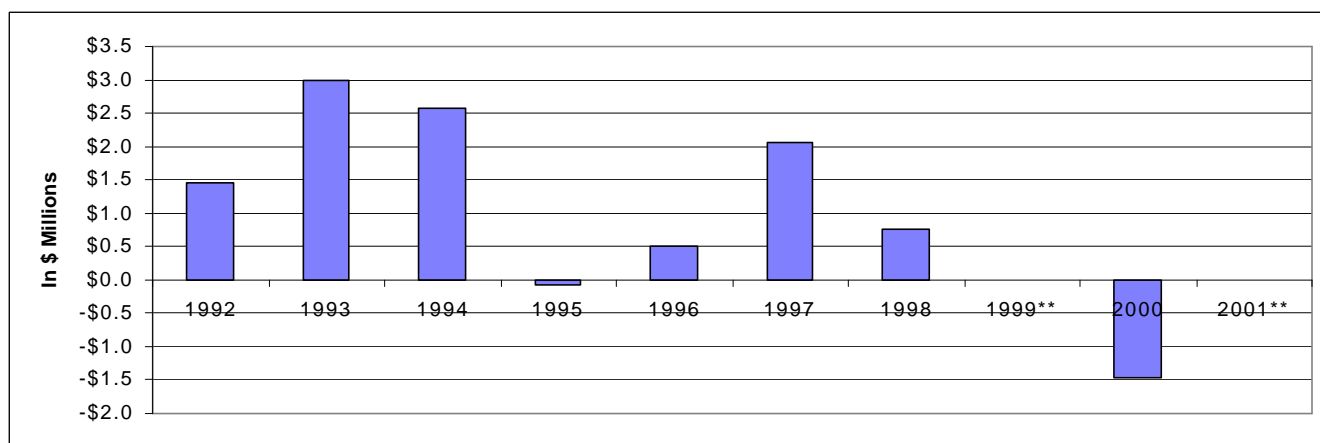
Source:

Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

Actual General Fund Revenue
minus Projected Revenue

General Fund Revenue Variance
(In Actual Dollars)



In Actual Dollars / Percentages

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|------------------------|-------|-------|-------|--------|------|-------|-------|------|---------|------|
| Variance (in \$1,000s) | 1,601 | 3,396 | 3,016 | (85) | 641 | 2,639 | 1,003 | N/A | (2,040) | N/A |
| % of Variance | 3.5% | 6.8% | 5.5% | (0.1%) | 1.0% | 3.7% | 1.3% | N/A | (1.2%) | N/A |

Analysis

The General fund has had a positive revenue variance, averaging 1% over the last eight accounting periods.

**1999 was the first year of the County's new biennium budgeting methodology. Revenues are no longer reported on an annual basis, but will be reported at the end of each biennium.

Expenditures

This section analyzes the County's overall expenditures by looking at various cross-sections of expenditures. All of the expenditure trends appear to be favorable, although there are a few areas that should be watched in the future, such as employee benefit costs.

Governmental Expenditures. Total governmental expenditures, excluding enterprise activities, grew by 7.5% in 2001. Inflation adjusted governmental expenditures have been relatively constant for the past several years, with the exception of 1999 when they increased 8.5%, due to large increases in road expenditures and non-road capital expenditures. As a percentage of total expenditures, general government expenditures have decreased over the last ten years, while expenditures for transportation and mental and physical health have generally increased. Law & justice operating expenditures have remained a constant percent of total expenditures over the years. Rating: **Favorable**.

General Fund. The County's general fund expenditures increased 7.9% in 2001. Much of this increase was in the public safety departments (sheriff, jail, and juvenile). Increased expenses in these departments were offset with increased grant revenues in the same departments. Growth in per capita expenditures, adjusted for inflation, was 3% in 2001. Rating: **Favorable**.

Road Fund. Road capital expenditures have increased steadily for the past five years, while the road maintenance (including overlays) spending has remained fairly constant, even with the annexation in 1997. In 1997 through 1999, the County contracted with the City of Vancouver for some road maintenance and construction services, resulting in greater costs than would otherwise have occurred. Rating: **Favorable**.

Employees per 1,000 Capita. The number of budgeted Full Time Equivalent (FTE) employees per capita is seen as a measure of customer service as well as a check on growing too large as an organization. The number of FTE per capita in 2001

was 4.33 and has remained constant over the past ten years. Rating: **Favorable**.

Capital Project Expenditures. Capital expenditures, excluding county infrastructure and proprietary fund capital expenses, increased significantly on an annual basis from 1993 through 1997. 1997 experienced the most capital expenditures in the last ten year period, with \$21M of the total \$27M being spent in three funds: Tri-Mountain Golf Course, 800 MHZ Communications, and Development Impact Fees funds. Since 1998, capital expenditures have fluctuated between \$18.4M and \$24.1M. This fluctuation is a result of major capital projects underway or completed in any one year. Over the last three year period, 33% of capital expenditures have been spent on parks acquisitions and improvements, 23% has been spent on the Campus Development Project, 13% on the Juvenile Expansion, and 12% on the Jails Industries Work Center. Rating: **Favorable**.

Personnel Expenditures. Personnel expenditures are the largest part of the County's budget, averaging about 38% of the County's total operating expenditures over the past five years. Personnel costs have been fairly consistent with an average increase of 6.6% over the last five years, reflecting both staffing increases and cost of living adjustments. Rating: **Favorable**.

Employee Benefit Costs. Benefit costs per employee have risen faster than inflation, primarily because of increased insurance costs. Actual benefit costs, including vacation and sick leave pay, have nearly doubled since 1993 (increasing from \$15M in 1993 to \$29M in 2001), but have increased only slightly as a percentage of Salary and wages over the same time period (from 46% in 1993 to 50% in 2001). Rating: **Mixed**.

Governmental Expenditures Per Capita

Description

Expenditures of funds for government programs, including law & justice, roads & roadways, community development, parks & recreation, social services, public health, general government, capital, and debt service. Does not include internal service fund or enterprise fund expenses. Does not include any interfund transfers.

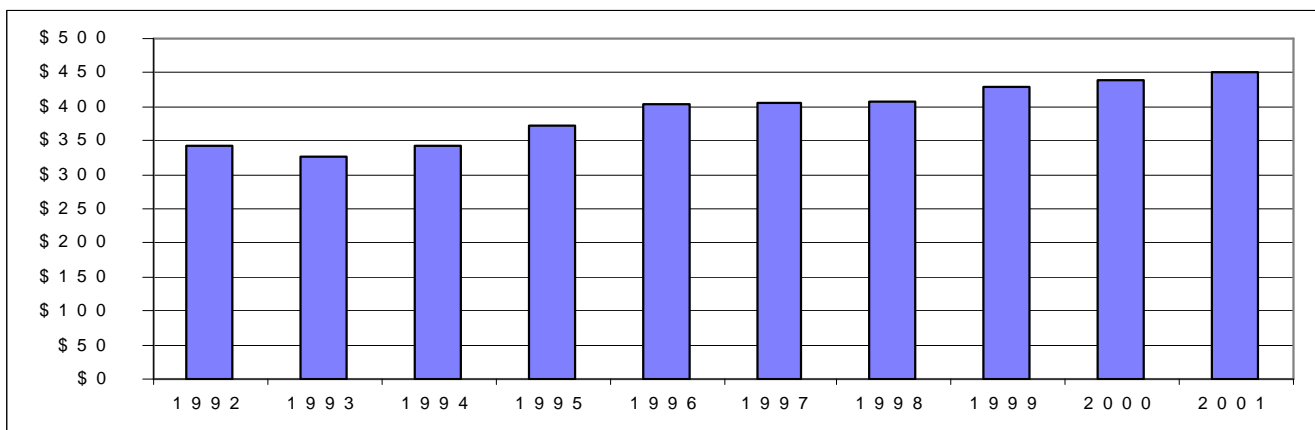
Source:

Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

Expenditures from all Governmental Funds /
Total County Population

Government Expenditures per Capita (In Constant 1990 Dollars)



In Actual Dollars

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|-------------------------------------|--------|--------|---------|---------|---------|---------|---------|---------|---------|---------|
| Total Expenditures (in \$1,000s) | 96,995 | 99,869 | 112,705 | 130,048 | 152,629 | 165,506 | 175,001 | 196,148 | 211,127 | 227,015 |
| Per Capita Expenditures | 377 | 371 | 401 | 447 | 503 | 522 | 534 | 582 | 612 | 644 |

Analysis

Total governmental expenditures, excluding proprietary activities, grew by 7.5% in 2001, while the average growth rate for the last five years has been 8.3%. Much of the increase in the past five years came from transportation, economic environment, and debt service, all of which have five year average growth rates between 12.7% and 15.7%.

Economic environment and mental health have benefited from increased state and federal grant revenue to pay for the increase in services. Debt service, as a percentage of total spending, has remained relatively constant, between 3.5% and 5.5% since 1988. General government functions, as a percentage of total expenditures, has fluctuated between 14% and 21% from 1989 through 2000, and was 13.9% for 2001.

In 2001, total expenditures in the Community Services Grant Funds nearly doubled (from \$5.6M in 2000 to \$10.6M in 2001), which is directly tied to increased revenue for that same period (\$4.9M in 2000 to \$9.3M in 2001). The other major expenditure increase in 2001 was debt service at 14.4% (\$1.2M).

Excluding capital projects and debt service, the County's net operating expenditures per capita (in actual dollars) increased from \$344 in 1992 to \$554 in 2001.

General Fund Expenditures Per Capita

Description

The County's General Fund expenditures, including law & justice, parks & recreation, and general government operations, including capital and debt service. Does not include any interfund transfers.

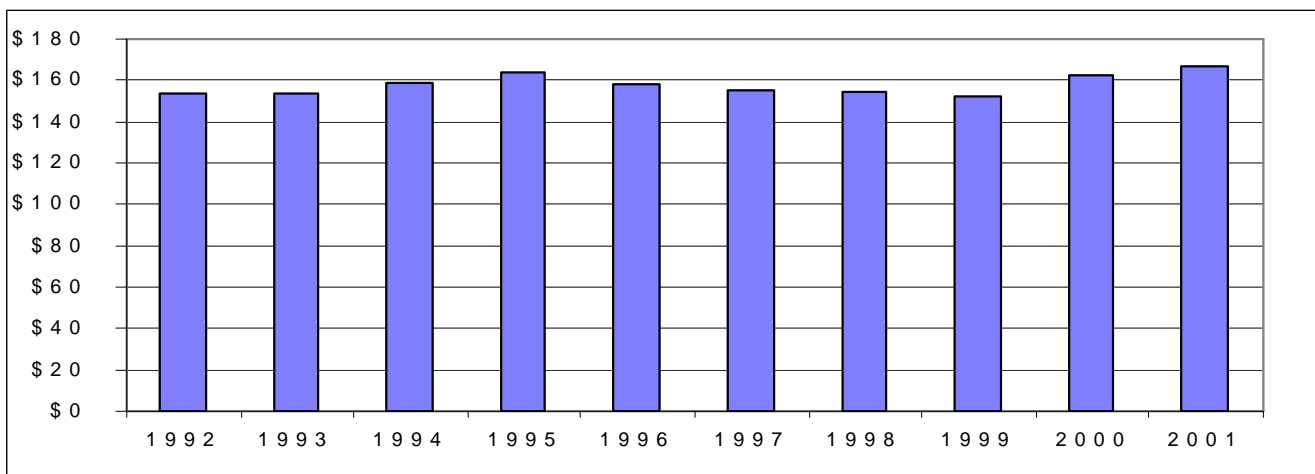
Source:

Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

General Fund Expenditures/
Total County Population

General Fund Expenditures Per Capita
(In Constant 1990 Dollars)

**In Actual Dollars**

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Total General Fund Expenditures (in \$1,000s) | 43,420 | 47,103 | 52,202 | 57,383 | 59,754 | 63,288 | 66,275 | 69,392 | 78,206 | 84,352 |
| Per Capita Expenditures | 169 | 175 | 186 | 197 | 197 | 200 | 202 | 206 | 227 | 239 |

Analysis

In 2000, there was an increase in General Fund expenditures because two new programs were transferred into the general fund: Information Services and Parks Operations. After adjusting for these two new programs, which had operating expenditures of approximately \$5.9 million, General Fund expenditures increased about 4% (or about \$3.50 per capita). General Fund expenditures showed a 7.9% growth in 2001, over 2000. Per capita growth, adjusted for inflation, was 3% in 2001.

The combining factors of Referendum 47, Initiative 747, and slower sales tax growth (the main sources of revenue for the general fund) may contribute to restricting the growth of the general fund expenditures in the future. With population continuing to grow and Initiative 747 limiting the property tax increase to 1% annually without a vote of the general population, this trend may continue.

Road Expenditures Per Capita

Description

External expenditures from the County's Road Fund and roads operations unit, including road maintenance and design & construction of new transportation projects in the unincorporated parts of the County. Also includes expenditures for work done in other jurisdictions that have been reimbursed to the County.

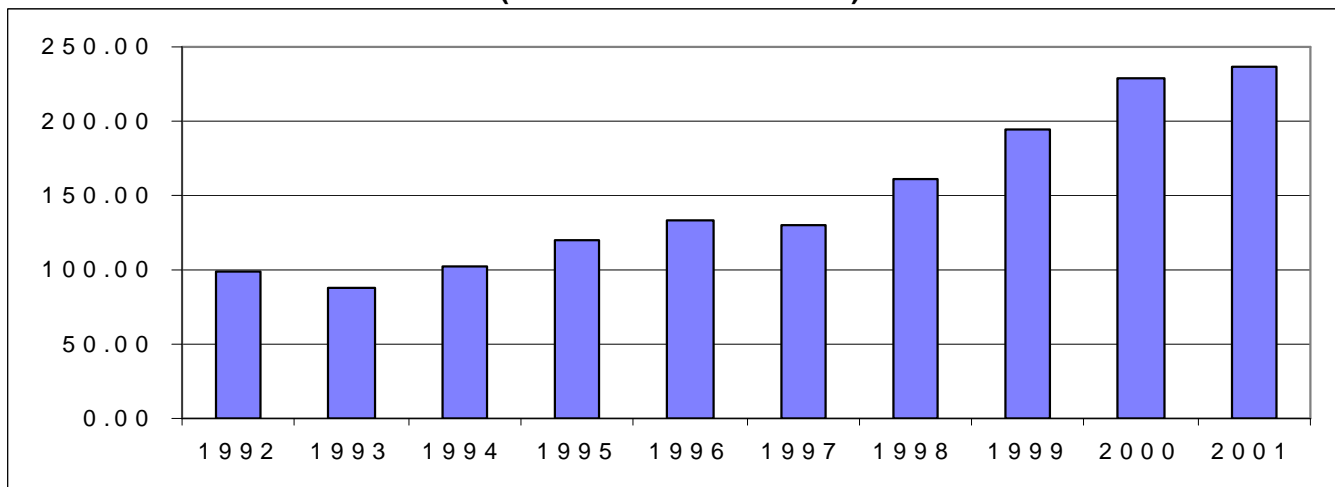
Source:

Clark County's Comprehensive Annual Financial Report (CAFR) and Work Order Analysis

Calculation:

Road Expenditures/
Unincorporated Population

**Road Expenditures Per Capita
(In Constant 1990 Dollars)**

**In Actual Dollars**

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Total Road Expenditures (in \$1,000s) | 20,788 | 19,497 | 24,005 | 29,822 | 35,823 | 30,797 | 39,495 | 49,189 | 56,424 | 58,080 |
| Clark County Road Expenditures (in \$1,000s) | 20,788 | 19,497 | 24,005 | 29,302 | 35,077 | 26,965 | 35,031 | 44,557 | 55,546 | 57,775 |
| Clark County Road Capital Expenditures (in \$1,000s) | 5,206 | 6,820 | 11,770 | 11,225 | 15,708 | 7,666 | 14,739 | 24,835 | 34,951 | 35,709 |
| Clark County Per Capita Capital | 27 | 35 | 59 | 55 | 74 | 48 | 89 | 147 | 201 | 210 |
| Clark County Per Capita Maintenance | NA | NA | NA | 56 | 59 | 73 | 75 | 85 | 76 | 77 |

Analysis

As revenues dedicated to transportation projects have increased in the past five years, the Public Works Department has undertaken a steady increase in capital expenditures on county roads to address the critical transportation needs of the County's unincorporated areas. Capital expenditure growth has averaged 27% per year for the last five years.

In 1997 the Cascade Park/Evergreen annexation resulted in a 24.1% decrease in population in the unincorporated area of the county. In 1997 total road expenditures, for both capital and maintenance combined, fell by 16%, but has increased significantly in subsequent years.

Employees per 1,000 Capita

Description

Number of full-time equivalent (FTE) positions in all Clark County programs and funds, as of January 1 of each year. Does not include employees hired by independent taxing districts or agencies.

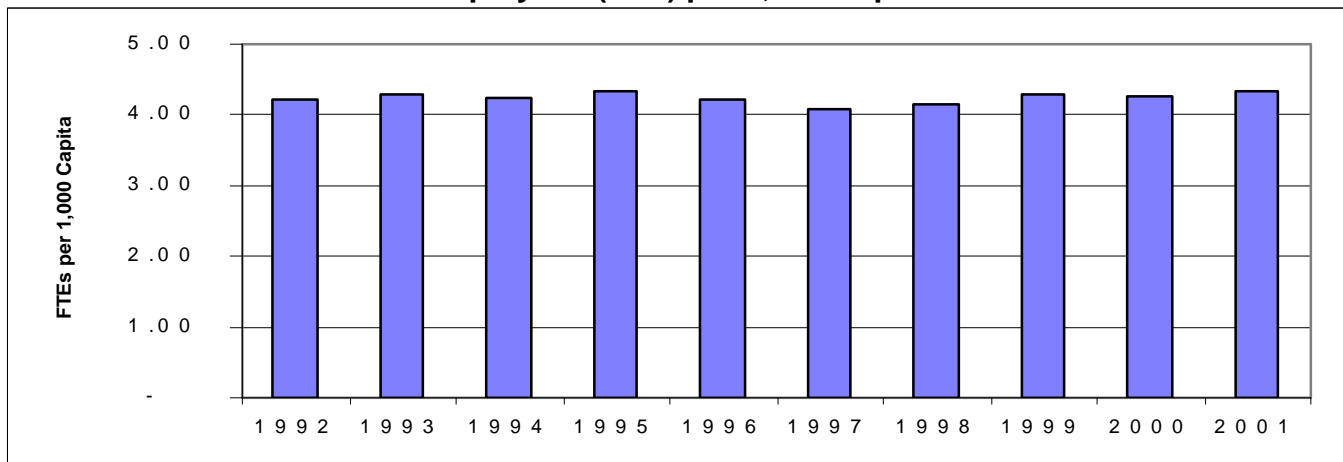
Source:

2001/2002 Budget Document

Calculation:

FTE / Total County Population

Employees (FTE) per 1,000 Capita



In Actual Numbers

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|-------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Number of Budgeted FTEs | 1,087 | 1,152 | 1,193 | 1,258 | 1,281 | 1,293 | 1,363 | 1,447 | 1,474 | 1,524 |
| FTEs per 1,000 Capita | 4.22 | 4.27 | 4.25 | 4.32 | 4.22 | 4.08 | 4.15 | 4.29 | 4.27 | 4.33 |

Analysis

In 2001, there were 1,524 budgeted full-time positions in the County, 3.5% more than in 2000. The number of employees has increased on average 3.6% annually over the last five years. Law & Justice, which comprises the largest percentage of employees (50%), experienced a 1.5% increase in staffing in 2001. The second largest grouping, Public Works, comprises 17.5% of total County employees and showed a 1.9% increase in staffing over 2000 levels. Community Service showed a 12.3% increase in 2001. Of the total increase of 50 FTE's, 27 were added in other areas.

Over the last five years, the number of employees in Law & Justice programs increased 13.6%, Community Development employees decreased 6.3%, Community Service employees increased 47.3%, and Public Works employees increased 19.3%. Additionally, the number of general government employees increased 8.7%, and the number of employees in "other" areas, such as Internal Services, increased 106.7%, largely because Information Services was created as a County department instead of a separate entity.

When adjusted for population, the number of FTEs per capita has remained fairly constant since 1988.

Capital Project Expenditures Per Capita

Description

Includes capital expenditures in the capital funds.
Does not include capital projects in the Road Fund,
enterprise funds, or internal service funds.

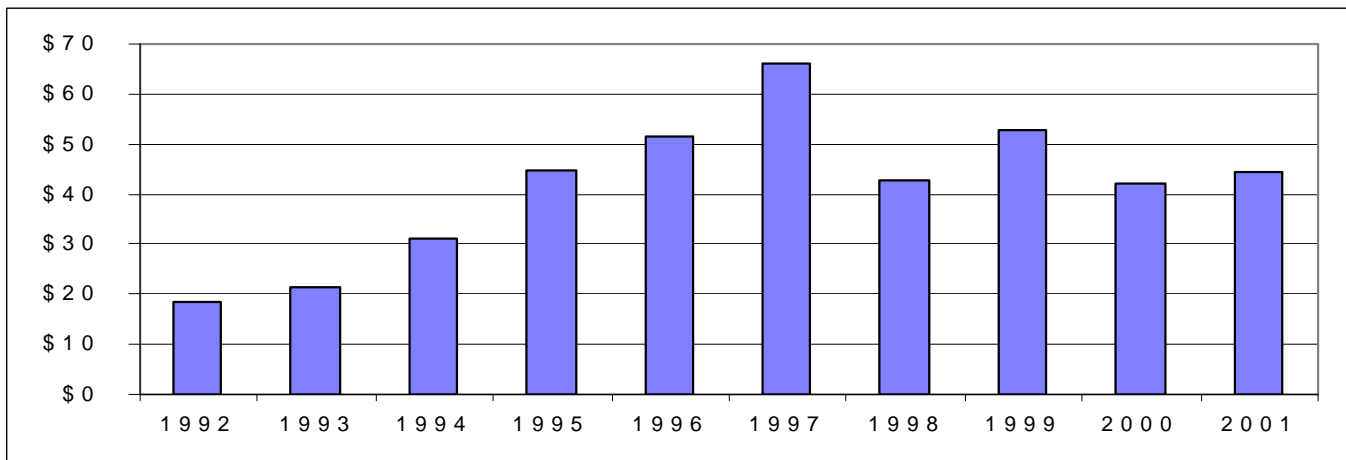
Source:

Clark County's Comprehensive Annual Financial
Report (CAFR)

Calculation:

Capital Expenditures / Total County Population

Capital Project Expenditures Per Capita
(In Constant 1990 Dollars)

**In Actual Dollars**

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|---------------------------------------|-------|-------|--------|--------|--------|--------|--------|--------|--------|--------|
| Capital Expenditures (in \$1,000s) | 5,195 | 6,522 | 10,166 | 15,622 | 19,494 | 27,008 | 18,415 | 24,145 | 20,283 | 22,387 |
| Per Capita Capital Expenditures | 20 | 24 | 36 | 54 | 64 | 85 | 56 | 71 | 59 | 63 |

Analysis

Capital expenditures for 1994 to 1997 rose steadily as the County took measures to keep up with the demands of a growing population, much of it in the way of parks and open spaces.

In 2001, the County spent an additional \$13.6 million on the campus development project, \$1.8 million on the new financial management system, and \$4.6 million in parks acquisition.

In 2000, the County spent \$9.5 million to complete the juvenile expansion, the jail work center, and the fairgrounds public safety facility, \$4 million for land and conservation easements for the preservation of open spaces, \$1.7 million on parks, and \$2.1 million for the campus development project.

In 1999, the County spent \$5.7 million for the juvenile expansion and jail work center, \$8.5 million to purchase land and conservation easements for the preservation of open spaces, and \$2.7 million on parks.

In 1998, the County spent \$8.3 million for land and conservation easements for the preservation of open spaces, \$2.8 million on parks, and \$1.9 million on a new jail work center.

Personnel Expenditures

Description

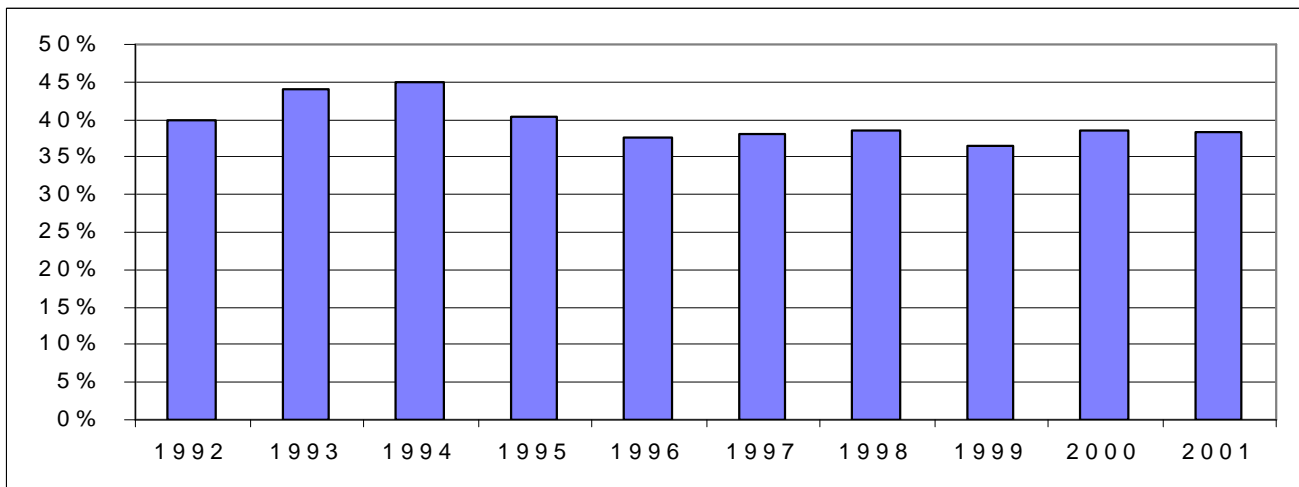
Salaries, wages, employee benefits (including clothing, vehicle allowances, and accrued leave), and employer portion of taxes and PERS (retirement). Does not include proprietary funds. Does not include non-County employees in independent taxing districts or agencies.

Source:

Clark County's Comprehensive Annual Financial Report (CAFR) and County Financial Records

Calculation:

Personnel costs /
Total County Operating Expenditures

Personnel Costs as Percentage of County Operating Expenditures**In Actual Dollars / Percentages**

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Total Personnel Costs (In \$1,000s) | 43,508 | 48,300 | 53,643 | 58,985 | 63,388 | 67,031 | 74,497 | 77,917 | 82,640 | 87,020 |
| As % Of Operating Expenditures | 40.0% | 44.1% | 45.0% | 40.5% | 37.7% | 38.1% | 38.4% | 36.4% | 38.5% | 38.3% |

Analysis

The percentage of the County's operating expenditures spent on payroll costs have gone from a high of 45% in 1994 to an average of 38% for the past five years. This is partially due to increased road and other capital projects that are less labor intensive than other county expenditures, as well as increased expenditures for mental health services, which are contracted out to other organizations.

Personal services per capita costs for 2001 were \$247 up 5.3% from \$240 in 2000. The average salary and wages (including vacation and overtime) per FTE in 2001 was \$38,006 compared to \$30,717 in 1992.

Employee Benefit Costs

Description

Employee benefits for all Clark County employees, including all medical insurance and leave accrual benefits such as sick leave, vacation leave, and paid holidays. Also includes employers portion of payroll taxes and PERS (retirement). Does not include non-County employees in independent taxing districts or agencies.

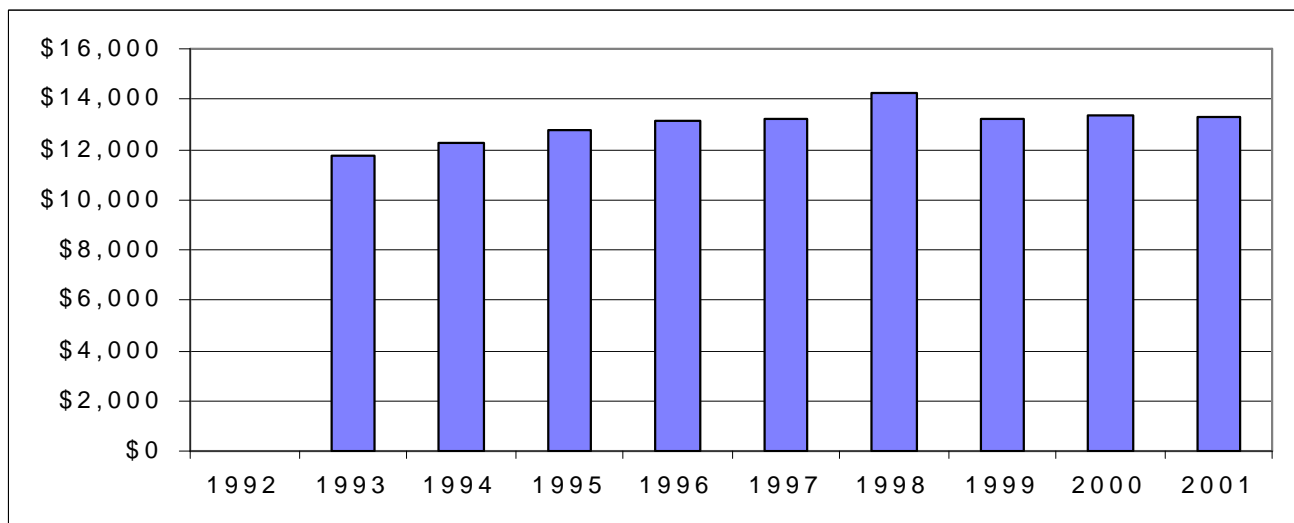
Source:

County Financial Records

Calculation:

Sum of All Employee Benefits / Total FTE

**Average Benefits per FTE
(in Constant 1990 Dollars)**

**In Actual Dollars / Percentages**

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|---|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Total Benefit Costs (In \$1,000s) | NA | 15,326 | 17,119 | 19,353 | 20,987 | 21,933 | 25,487 | 25,915 | 27,450 | 29,012 |
| Average Benefits per FTE | NA | 13,235 | 14,011 | 15,392 | 16,431 | 16,800 | 18,716 | 17,914 | 18,619 | 19,008 |
| Benefit Costs as % of Total Personnel Expenditures | NA | 31.7% | 32.0% | 32.8% | 33.1% | 32.7% | 34.2% | 33.3% | 33.2% | 33.3% |

Analysis

Benefit costs have steadily increased over the past several years in part due to the increased costs of medical and dental insurance offered to employees. Over the past five years, actual benefit costs per FTE have increased an average of 3% annually. This increase represents a net effect of significant increases in medical costs and offsetting decreases in the employer portion of PERS over the last few years. It is unlikely that there will be further decreases in the PERS contributions in the future.

Over the nine years reported, benefit costs as a percentage of total personnel costs have remained fairly constant between 31% and 34%, averaging 32.9% annually.

Operating Position

The following section attempts to analyze the County's overall operating position. With the exception of a few funds, most notably the Building & Code Fund, the County appears to be in a solid operating position, especially in its other major funds. The Road fund has seen significant decline in its fund balance since 1997.

General Fund Surplus / Deficit. The fund balance in the General Fund experienced a reduction of \$3.8 million in 2001, which was a result of planned subsidizing of programs in other funds. Over the last ten years the General Fund's annual surplus/deficit has fluctuated, resulting in a cumulative surplus of \$2.9 million. Rating: **Favorable**.

Enterprise Funds. The County's four enterprise funds (Solid Waste, Sewer, Burnt Bridge Creek, and Clean Water) have experienced solid income and retained earnings growth for eight of the past nine years. Rating: **Favorable**.

General Fund and Permanent Reserve Fund Balances. The general fund's unreserved and undesignated ending fund balance has hovered between \$5.6 million and \$9.5 million for the past ten years, while the permanent reserve fund has maintained sufficient reserves to meet county financial policy regarding proper fund balances. Rating: **Favorable**.

Road Fund Ending Fund Balance. Road fund had seen significant growth in its fund balance up until 1998, when it started to decline. In 1999, the fund balance decreased by \$2.5 million, and in 2000 fund balance decreased another \$7.2 million. In 2001 fund balance increased \$5.2 million, ending at \$7.6 million. Rating: **Mixed**.

Insurance Reserve Retained Earnings. All three of the County's insurance reserve funds (general liability, unemployment, and industrial accident) appear to be adequate to meet anticipated future payments and claims with a high degree of confidence. Rating: **Favorable**.

General and Road Fund Liquidity. The General Fund has sufficient cash and short-term investments to provide for the funds' liquidity needs. The road fund experienced short-term liquidity problems in 2000 and 2001 and has had to use the County's line of credit for cash flow. Rating: **Mixed**.

Building & Code Fund Liquidity. The Building & Code Fund has had liquidity problems for the past several years. The General Fund transferred additional subsidies to the Building & Code Fund in 2001 and 2002, of \$1M each year. At the end of 2001, the fund's liquid assets were \$1.4 million less than its short-term liabilities, and its ending fund balance was a deficit of \$1.86 million. Although fee rates increased in 2002, it is yet to be seen whether enough has been done to turn this trend around. Rating: **Unfavorable**.

ER&R Fund Liquidity. After several years in the late 1980s and early 1990s of having liquidity problems, the ER&R fund has sufficient cash and short-term investments to meet its liquidity needs. Rating: **Favorable**.

General Fund Surplus or Deficit

Description

Consists of annual General Fund resources minus annual General Fund requirements. Transfers in and transfers out are included. This statistic represents the annual impact to the fund's ending fund balance.

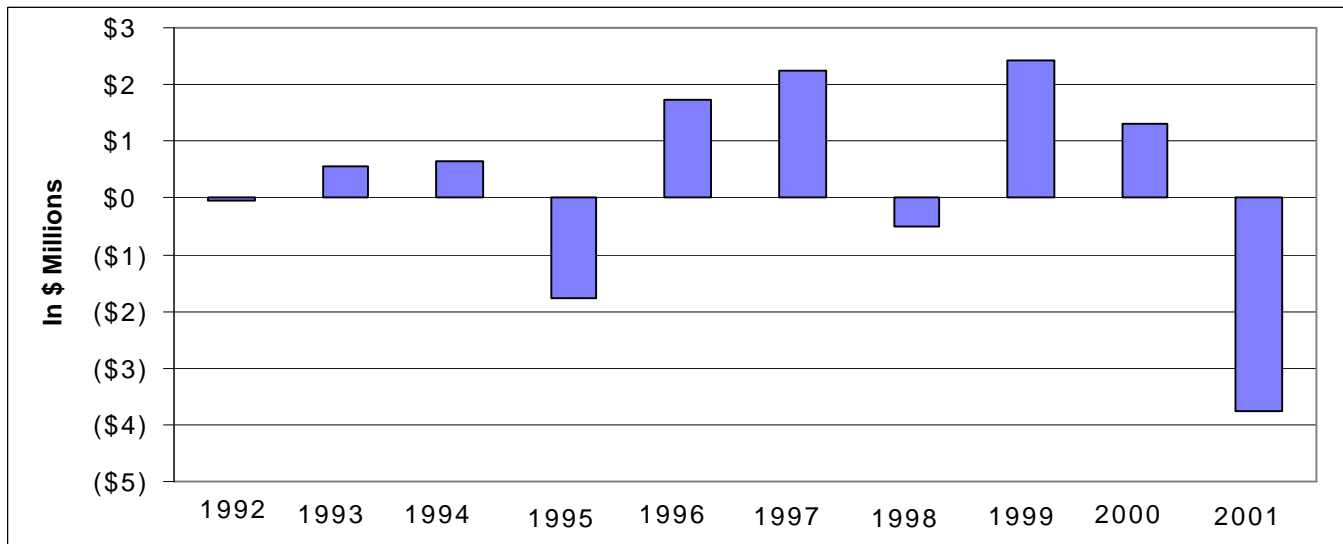
Source:

Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

Total Revenues and Transfers In
Total Expenses and Transfers Out

General Fund Surplus or Deficit



In Actual Dollars

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|-------------------------------------|-------|------|------|---------|-------|-------|-------|-------|-------|---------|
| Surplus or Deficit (In \$1,000s) | (45) | 568 | 653 | (1,772) | 1,723 | 2,233 | (500) | 2,432 | 1,314 | (3,776) |
| As % of General Fund Revenues | -0.1% | 1.1% | 1.1% | -2.9% | 2.6% | 3.0% | -0.7% | 3.0% | 1.5% | -4.2% |

Analysis

The past ten years have not generated any annual trends in general fund surplus or deficit. The surplus/deficit over the time span tracked by this report has ranged in value from a deficit of \$3.8 million (a planned reduction in fund balance in 2001) to a surplus of \$2.4 million. The 2001 deficit is a direct result of the Board of County Commissioners' decision to use part of the General Fund balance to subsidize certain programs in other funds. Among the one-time subsidies were \$3M to the Information Reserve Capital Fund (for the purchase and implementation of a new financial management system), \$1M to the Building & Code Fund, \$1M for parks acquisition, \$0.9M for new GIS cad equipment, and \$0.5M to the Health District Campus Facility Fund. The past ten years cumulatively saw the fund balance increase \$2.9 million.

The General Fund's fund balance was \$9 million at the end of 2001.

Enterprise Funds

Description

The operating income and retained earnings of the Sanitary Sewer, Solid Waste, Burnt Bridge Creek, and Clean Water funds. Does not include other County funds.

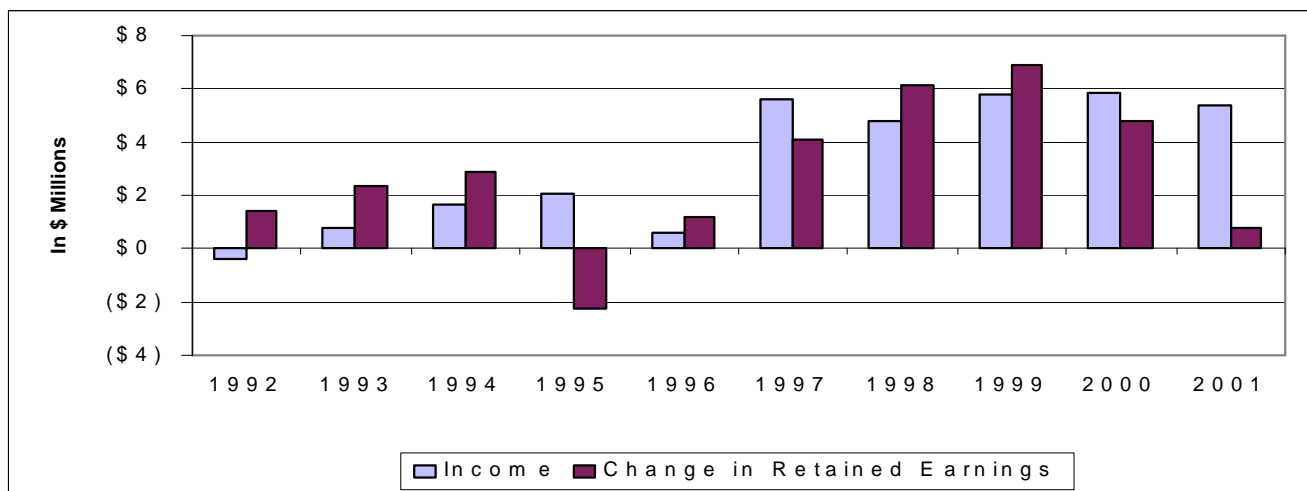
Source:

Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

Operating Income = Operating Revenue –
Operating Expenses

Change in Retained Earnings = Operating Income +
All Non-Operating Income & Expenses + Transfers

Enterprise Fund Income and Change in Retained Earnings**In Actual Dollars**

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|--|-------|------|-------|--------|------|-------|-------|-------|-------|-------|
| Income (In \$1,000s) | (384) | 799 | 1,644 | 2,034 | 626 | 5,626 | 4,803 | 5,810 | 5,860 | 5,382 |
| Increase/(Decrease) in Retained Earnings (In \$1,000s) | (4) | 2450 | 2920 | (2094) | 1195 | 4077 | 6137 | 6871 | 4778 | 785 |

Analysis

In 2001, combined operations of enterprise funds yielded \$0.8 million in increased retained earnings.

The Sanitary Sewer fund showed a decrease in retained earnings of \$1.2 million, due to the transfer of the Meadow Glade sewer system to the Hazel Dell Sewer District, which resulted in a reduction in capital assets of \$2.6 million (the system was paid for by contributed capital). At the end of 2001, the Sanitary Sewer Fund had an unrestricted fund balance of \$8.2 million.

At the end of 2001, the Burnt Bridge Creek Fund was consolidated into the Clean Water Fund. The Clean Water/Burnt Bridge Creek Fund consolidation showed a \$1.3 million increase in retained earnings. Net income for Solid Waste, including grants and interest was \$0.7 million for 2001.

The increases in retained earnings seen in 1996 through 1999 started to fall in 2000 as new capital assets began to be depreciated, particularly the new treatment plan in the Sanitary Sewer fund.

Fund Balance – General Fund and Permanent Reserve

Description

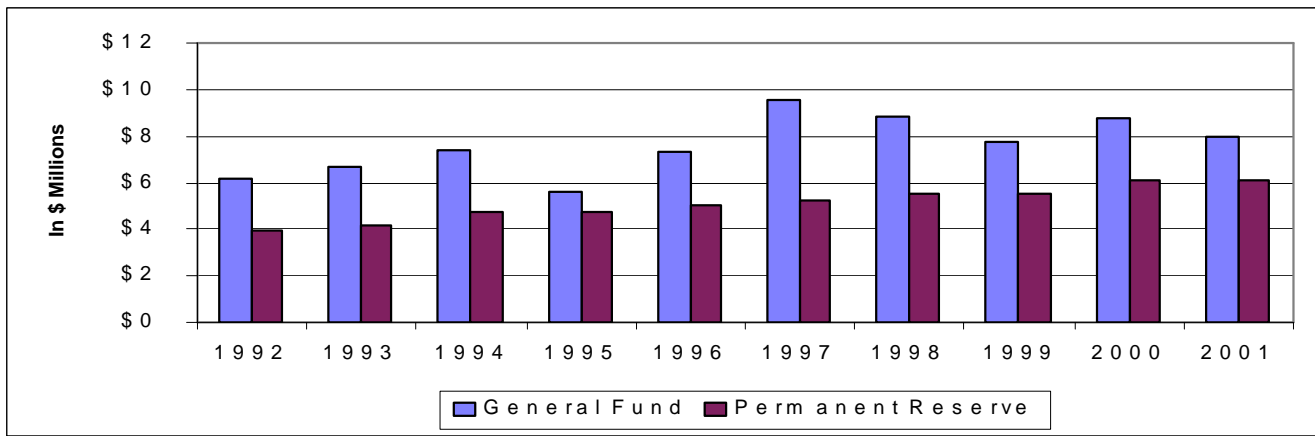
The unreserved and undesignated ending fund balance for the General Fund and the Permanent Reserve Fund.

Source:

Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

Fund Balances as of December 31

Fund Balances**In Actual Dollars /Percentages**

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| General Fund Balance (In \$1,000s) | 6,145 | 6,714 | 7,366 | 5,594 | 7,317 | 9,549 | 8,805 | 7,769 | 8,788 | 8,002 |
| Permanent Reserve Balance (In \$1,000s) | 3,932 | 4,141 | 4,748 | 4,748 | 4,998 | 5,248 | 5,498 | 5,498 | 6,084 | 6,084 |
| Permanent Reserve as % of General Fund Expenses & Transfers | 7.7% | 7.4% | 7.7% | 7.0% | 7.1% | 6.9% | 6.7% | 6.5% | 6.7% | 6.0% |

Analysis

County financial policies require that the Permanent Reserve fund balance be between 6% and 10% of General Fund expenses. The Permanent Reserve fund hovered at about 7% of General Fund operating expenses and transfers from 1995 through 2000. In 2001, the fund balance dropped to 6%.

The General Fund unreserved/undesignated ending fund balance has remained over \$6 million for every year except for 1995. It has ranged in value from a low of \$5.6M in 1995 to a high of \$9.5M in 1997. The types of items that are reserved or designated include advances, equipment or information system replacements, parks acquisitions or other one-time projects, and permanent reserve contributions.

Fund Balance – Road Fund

Description

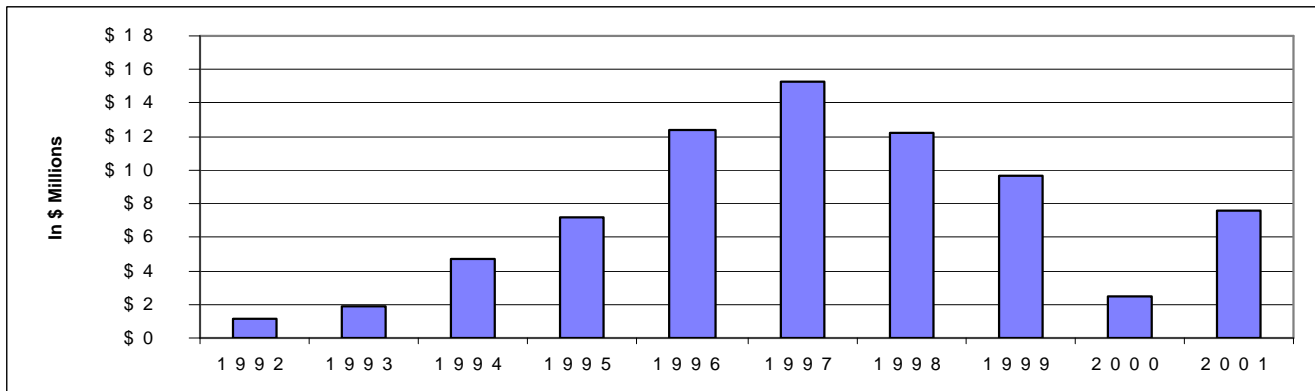
Year-end fund balance for the County Road Fund.

Source:

Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

Fund Balance as of December 31

Fund Balance**In Actual Dollars /Percentages**

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|------------------------------------|-------|-------|-------|-------|--------|--------|--------|-------|-------|-------|
| Road Fund Balance (In \$1,000s) | 1,151 | 1,871 | 4,710 | 7,202 | 12,345 | 15,313 | 12,231 | 9,668 | 2,457 | 7,584 |
| As % of Operating Expenses | 5.5% | 9.6% | 19.6% | 25.0% | 36.4% | 53.6% | 32.0% | 20.5% | 4.3% | 13.1% |

Analysis

Since 1997, the County Road fund has significantly decreased its ending fund balance. During this same period, the Road fund has increased its capital-related revenues from the State (capital grants) and from local sources (development impact fees). The aggressive schedule of road improvement projects by the county, which relied in part on increased local funding, has caused the fund balance to decline. In 1998, fund balance dropped \$3M, and was reduced by an additional \$2.6M in 1999. At the end of 2000, the fund balance declined by an additional \$7.2 million to \$2.5 million. In 2001, the Road Fund received \$0.75 million in Public Works Trust Fund loans and \$2.33 million from DNR timber sales and sales of capital assets, which helped to increase the fund balance up to \$7.6 million.

Retained Earnings – Insurance Reserves

Description

Includes year-end retained earnings for the County's self-insurance funds.

Source:

Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

Fund Balances as of December 31

Retained Earnings - Aggregate Insurance Reserves**In Actual Dollars**

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| General Liability (In \$1,000s) | 1,811 | 2,346 | 2,945 | 2,553 | 2,582 | 1,886 | 2,417 | 2,934 | 3,235 | 5,960 |
| Unemployment (In \$1,000s) | 1,160 | 1,431 | 1,611 | 1,801 | 1,754 | 1,867 | 2,227 | 2,418 | 2,531 | 2,822 |
| Industrial (In \$1,000s) | 207 | 397 | 577 | 620 | 520 | 691 | 895 | 966 | 928 | 954 |

Analysis

All three of the County's self-insurance funds appear to be adequate to meet all future payments and claims, which is the current standard for the County.

The General Liability Insurance Fund, which has fluctuated up and down over the last ten years, shows a ten-year high, at nearly \$6 million in 2001. An actuarial review was conducted in 2001 which determined that the County's payable losses were too high. This resulted in an adjustment to previous years expenses, in the form of a \$1.9 million credit to 2001 expenses.

The Unemployment Insurance Fund has increased every year for the past ten years, with the exception of 1996, and acts as a hedge for poor economic conditions in the future.

The Industrial Insurance Fund has posted small annual increases to retained earnings for most of the past ten years.

Fund Liquidity – General Fund and Road Fund

Description

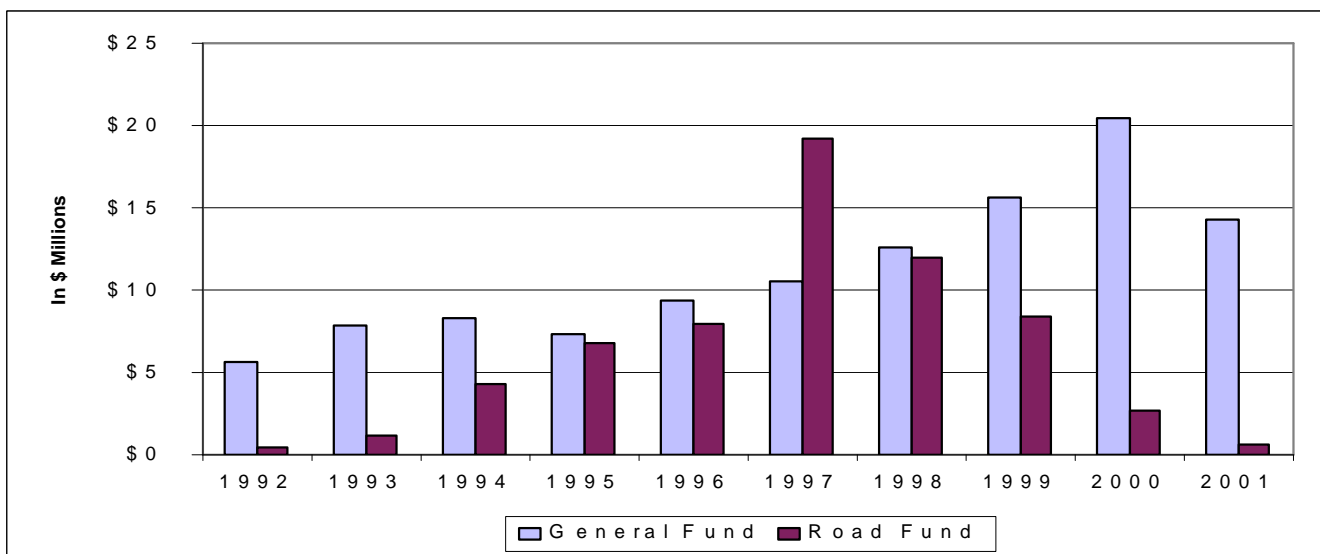
Liquid assets for the General Fund and the Road Fund.

Source:

Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

Cash and Short-Term Investments + Amounts Due from Other Funds + Amounts Due from Other Governments - Amounts Due to Other Funds and Vouchers & Warrants Payable

Liquid Assets**In Actual Dollars / Percentages**

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|--|-------|-------|-------|-------|-------|--------|--------|--------|--------|--------|
| Liquid Assets-General (In \$1,000s) | 5,594 | 7,827 | 8,263 | 7,342 | 9,400 | 10,506 | 12,611 | 15,634 | 20,445 | 14,260 |
| Liquid Assets-Roads (In \$1,000s) | 434 | 1,158 | 4,299 | 6,781 | 7,978 | 19,156 | 11,969 | 8,366 | 2,642 | 591 |
| Ratio - Cash & Investments to Liabilities-Gen. Fund | 7.9 | 10.1 | 8.2 | 4.2 | 9.5 | 7.3 | 9.8 | 7.8 | 11.0 | 7.1 |
| Ratio - Cash & Investments to Liabilities-Road Fund | 2.4 | 2.6 | 2.7 | 2.8 | 7.1 | 15.9 | 6.4 | 2.4 | 0.4 | 1.2 |

Analysis

General Fund liquidity has remained healthy over the long term. With the exception of 1995, the cash and investments to liabilities ratio has remained over 7.0 for the last ten years.

Road fund liquidity has decreased over the past three years as expenses have outpaced revenues. In 2001, \$3.6 million held in reserves by the Equipment Rental & Replacement Fund was returned to the Road Fund, which resulted in an increase in the cash and investments to liabilities ratio over 2000.

Fund Liquidity – Building & Code Fund

Description

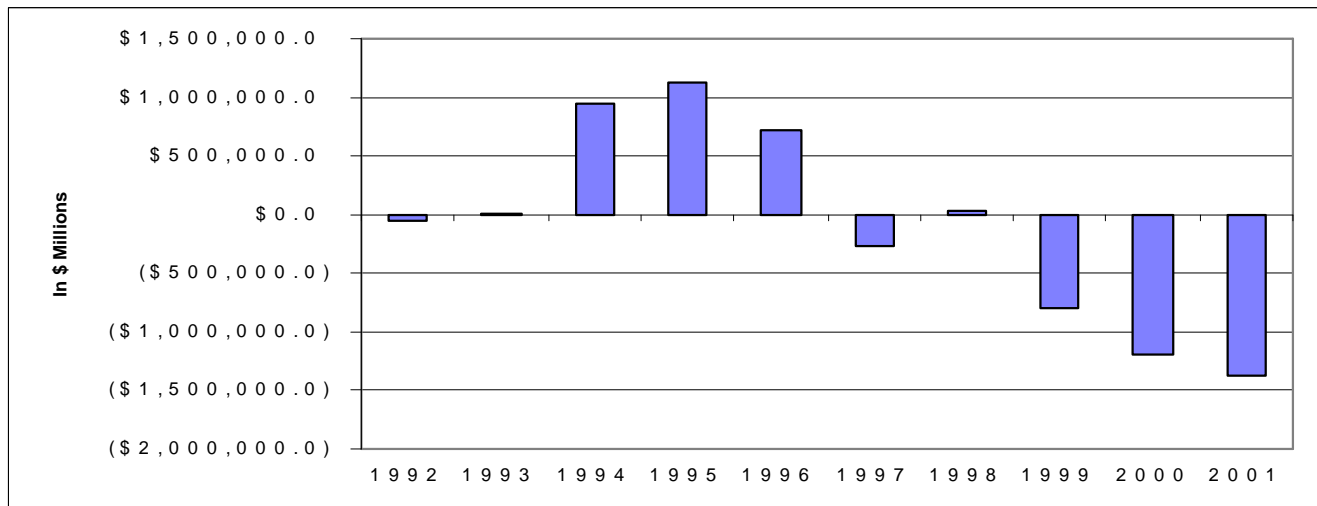
Liquid assets from the Building & Code Fund.

Source:

Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

Cash and Short-Term Investments + Amounts Due from Other Funds + Amounts Due from Other Governments - Amounts Due to Other Funds and Vouchers & Warrants Payable

Liquid Assets**In Actual Dollars / Percentages**

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|---|------|------|------|-------|------|-------|------|-------|---------|---------|
| Liquid Assets-Building & Code (In \$1,000s) | (50) | 4 | 942 | 1,121 | 722 | (266) | 34 | (796) | (1,192) | (1,378) |
| Ratio - Cash & Investments to Liabilities-Building & Code | 0.4 | 2.0 | 11.1 | 14.6 | 12.9 | 0.0 | 2.8 | 1.0 | 0.1 | 0.0 |

Analysis

The Building & Code Fund continues in its precarious liquidity position, with a net current liquidity position of minus \$1.4 million. The fund balance decreased in 2001 by \$305,803, ending at a deficit of \$1,861,261. This followed deficits of \$1,555,458 in 2000, \$997,000 in 1999, and \$314,000 in 1998. Fees were increased significantly in 2002, and \$2 million was transferred in from the General Fund's fund balance, as a means of addressing the negative position in the Building & Code Fund.

Fund Liquidity – ER&R Fund

Description

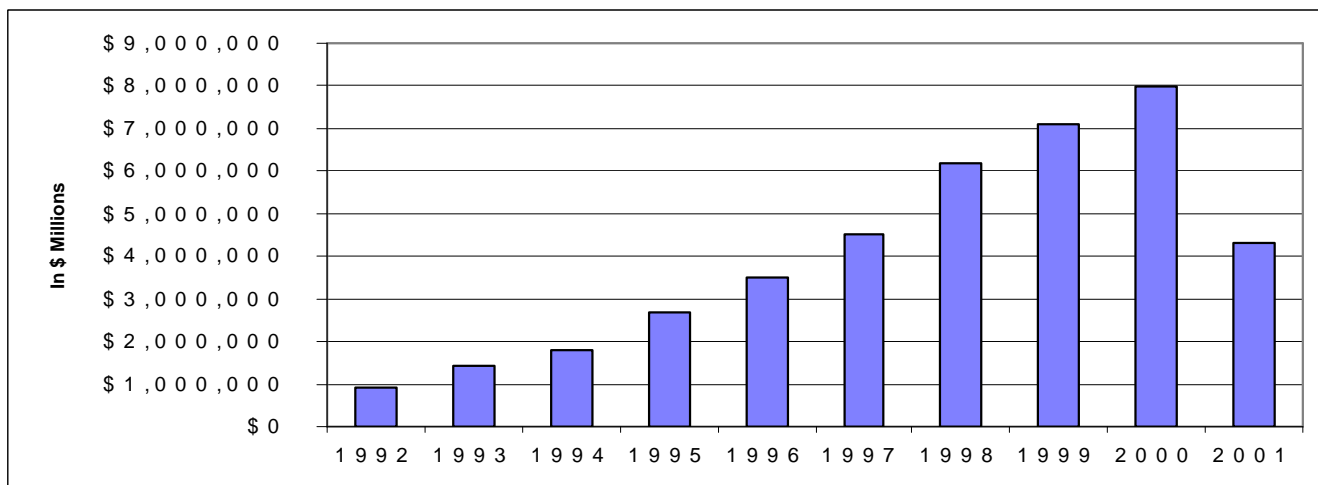
Liquid assets from the ER&R (equipment rental & replacement) Fund.

Source:

Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

Cash and Short-Term Investments + Amounts Due from Other Funds + Amounts Due from Other Governments - Amounts Due to Other Funds and Vouchers & Warrants Payable

Liquid Assets**In Actual Dollars / Percentages**

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|--|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Liquid Assets-ER&R (In \$1,000s) | 906 | 1,443 | 1,811 | 2,691 | 3,504 | 4,505 | 6,172 | 7,088 | 7,982 | 4,328 |
| Ratio - Cash & Investments to Liabilities-ER&R | 2.4 | 3.4 | 4.4 | 20.7 | 6.9 | 47.8 | 35.7 | 27.0 | 35.9 | 36.9 |

Analysis

The County's equipment rental and replacement (ER&R) fund experienced a nine-year trend of increased liquidity, prior registering a decrease in 2001 that brought it to a level just below that of 1997. The fund is deemed adequately liquid if replacement equipment can be acquired over the next 10 years based on revenue and expenditure projections. Given reduced levels of inflation over the last several years, the fund was reviewed and it was determined that liquidity was more than adequate.

During 2001, \$4.1 million held in reserves was returned to the General fund (\$500,000), and Road fund (\$3.6 million). Operational activity in 2001 resulted in an increase in liquidity of over \$400,000, and when combined with the liquidation of reserves resulted in an overall decrease of approximately \$3.7 million.

Debt Structure and Leave Liabilities

This section analyzes the County's overall debt structure and unfunded liabilities. The trend of the County over the last five years has been to increase debt for infrastructure needs. This trend will likely continue. Most of the long-term debt is funded by non-General fund sources, but this is an area that may need scrutiny in future years.

Short-Term Debt. In 2001 the Road Fund secured Public Works Trust Fund Loans and received initial advances, which replaced the need for using the line of credit for Road projects. Building & Code increased their line-of credit funding during 2001. The County Fair Fund ended 2001 with nearly the same amount owing on their line of credit due to the General Fund as they ended 2000 with. In 2001, the Board of County Commissioners established a utility fee for NPDES activity, which will pay down the Water Quality loan over a 10-year period. Rating: **Mixed**.

Long-Term Debt. In 2001 the County's long-term debt obligation increased by \$33.5M, primarily due to the General Obligation Bonds issued for the public service center, parking garage, and campus development. At 27.3%, non-voted debt as a percentage of the legal debt limit, shows a favorable condition. Net long-term debt per capita rose to \$288 in 2001, and has averaged \$216 over the past five years. Rating: **Favorable**.

Debt Service Costs. Total debt services is up for 2001, due to the General Obligation Bond issuance for the public service center. The County has a policy that debt service expenses may not exceed 10% of the General Fund's operating revenue and the issuing fund's operating revenues combined. In all cases, the debt service incurred by any specific fund is less than 5% of the combined revenues. Debt service has risen steadily in recent years, and although still modest, could become a factor for bond ratings on future bond issues if this trend continues. Rating: **Mixed**.

Overlapping Debt per Capita. Overlapping debt increased by 19.4% during 2001. Fire Districts

decreased their overlapping debt in 2001, while School Districts, Ports, Cities, and the County all had increases. Rating: **Mixed**.

Paid Leave Liability. Unused vacation leave per FTE has remained fairly constant over the last ten years, when adjusted for inflation. Most of this liability is funded because vacations are expensed when earned, not when taken. Rating: **Favorable**.

Short-Term Debt

Description

Short-term liabilities, consisting of registered warrants, lines-of-credit, and other short-term financing instruments. Does not include bonds, bond anticipation notes and warrants, or "normal" trade liabilities such as vouchers payable, accrued liabilities, due to other funds, etc.

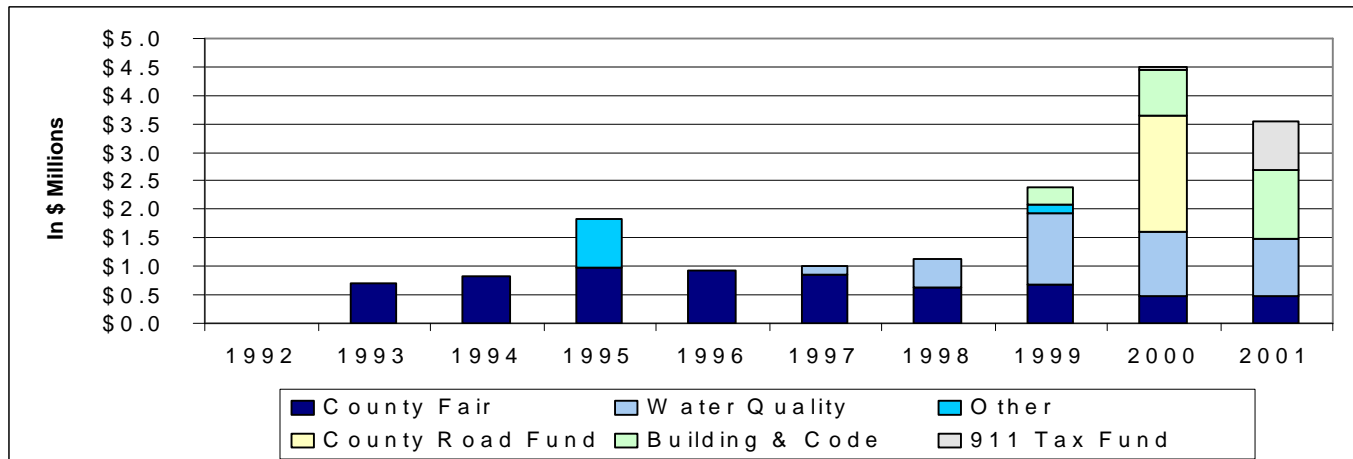
Source:

Clark County's Comprehensive Annual Financial Report (CAFR) notes

Calculation:

Total Short-Term Debt as of December 31

Short-Term Debt



In Actual Dollars

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|--------------------------------|------|------|------|------|------|------|------|-------|-------|-------|
| County Fair (in \$1,000s) | NA | 701 | 837 | 973 | 935 | 849 | 632 | 678 | 484 | 479 |
| Building & Code (in \$1,000s) | NA | 0 | 0 | 0 | 0 | 0 | 0 | 302 | 785 | 1,194 |
| Water Quality (in \$1,000s) | NA | 0 | 0 | 0 | 0 | 157 | 500 | 1,260 | 1,134 | 1,008 |
| County Road Fund (in \$1,000s) | NA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,035 | 0 |
| 911 Tax Fund (in \$1,000s) | NA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 58 | 865 |
| Other (in \$1,000s) | NA | 0 | 0 | 870 | 0 | 0 | 0 | 157 | 0 | 0 |

Analysis

After increasing between 1993-95, there was a declining trend in the County Fair's short-term debt. At December 31, 2001 the Fair had \$478,950 in short term debt, in the form of a loan from the General Fund. The Water Quality fund borrowed \$1,260,000 in 1999 from the County Road fund to pay for NPDES-related activities, and started repaying the debt at the end of 2000. In 2001 the General Fund purchased this interfund receivable from the County Road Fund.

The Road fund had borrowed \$2M at the end of 2000 as a result of an increase in road projects and the use of fund balance for these projects. In 2001 the Road Fund received Public Work Trust Fund Loan advances for some of the current road projects, which allowed them to operate without the line of credit.

The Building & Code fund operated on a line-of-credit while a study of their fees is being conducted. This study was completed in 2001, and the fund continues to require the line of credit.

CRCA Emergency Services Fund borrowed \$57,790 from the Real Estate Excise Tax Fund in 2000, and an additional \$807,339 in 2001.

The rating on this trend is mixed because of the funding uncertainties for the borrowing funds.

Long-Term Debt

Description

General obligation bonds, bond anticipation notes, special assessment bonds, installment purchase agreements, and capital lease purchases. Does not include compensated absences. Does not include debt from enterprise funds.

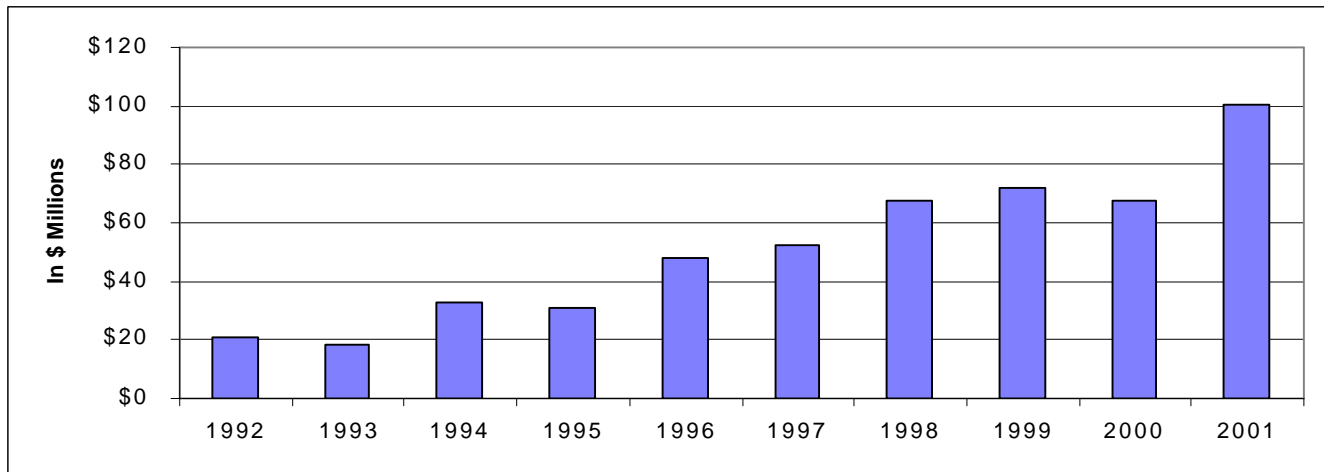
Source:

Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

Sum of Long-Term Debt

Long-Term Debt



In Actual Dollars / Percentages

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|--------------------------------------|-------|------|-------|-------|-------|-------|-------|-------|-------|-------|
| Long-Term debt (in \$1,000s) | 21.0 | 18.5 | 32.7 | 30.9 | 48.0 | 52.7 | 67.8 | 72.3 | 67.6 | 100.6 |
| Long-Term debt per capita | 83 | 72 | 123 | 113 | 163 | 171 | 208 | 217 | 197 | 288 |
| Debt subject to non-voted debt limit | 14.0 | 14.2 | 28.8 | 27.0 | 44.7 | 49.7 | 65.9 | 71.3 | 67.0 | 99.3 |
| Debt as % of non-voted debt limit | 16.5% | 7.6% | 13.7% | 11.6% | 17.4% | 17.5% | 21.2% | 21.6% | 19.2% | 27.3% |

Analysis

The legal non-voted debt limit was increased in 1993 from 0.75% to 1.5% of assessed value, accounting for the decrease in the debt as a percentage of non-voted debt that year. This debt percentage increased gradually from 1994 through 1999, and took a slight drop in 2000. During 2001, long-term debt increased by \$33.5M, due primarily to the General Obligation Bonds issued for the public service center and campus development. Non-voted debt as a percentage of the legal debt limit rose from 19.2% in 2000 to 27.3% in 2001, as a result of the bond issuance.

General long-term debt per capita rose to \$288 in 2001, up from \$197 in 2000. It has averaged \$216 over the past five years.

Debt Service Costs

Description

Expenditures for the retirement of long-term debt from governmental funds. Does not include debt retirement for special assessment bonds, tax anticipation notes, and proprietary activities.

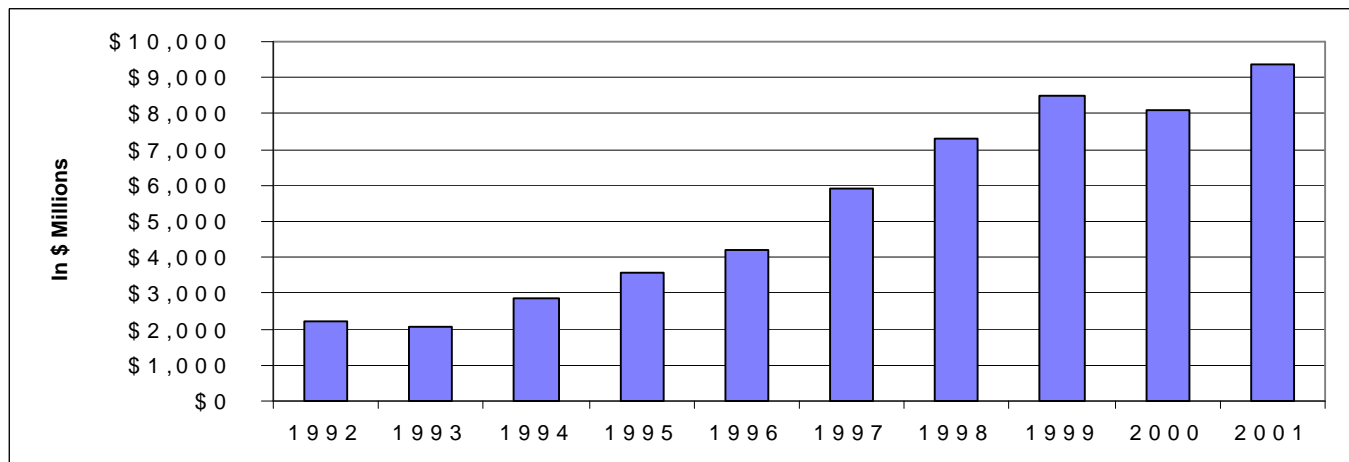
Source:

Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

Total Direct Debt Service Costs

Direct Debt Service



In Actual Dollars

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|----------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Debt Service (in \$1,000s) | 2,232 | 2,065 | 2,849 | 3,577 | 4,226 | 5,932 | 7,317 | 8,483 | 8,099 | 9,377 |

Analysis

County policy recognizes that net direct debt service should be no more than ten percent (10%) of the operating revenues of the issuing fund and the general fund combined. The four funds most responsible for making debt service payments (to the debt service funds) in the county are the General fund, the Real Estate Excise Tax fund, Conservation Futures fund, and the 9-1-1 Tax fund. As noted in the policy section at the beginning of this report, none of the debt service paid in 2001 exceeded 3% of the operating revenues of the issuing fund and the general fund combined .

This trend is up slightly for 2001, with the bond issuance for the courthouse remodel, parking garage, and public services building.

The rating for this trend is mixed because the debt service ratio is within acceptable levels according to county policy, but has grown steadily in the past few years.

Overlapping Debt per Capita

Description

An accumulation of long-term debt evidenced by bonds and bond anticipation notes for all taxing districts in Clark County. Does not include installment contracts payable, capital leases, special assessment bonds, and long-term compensation payable.

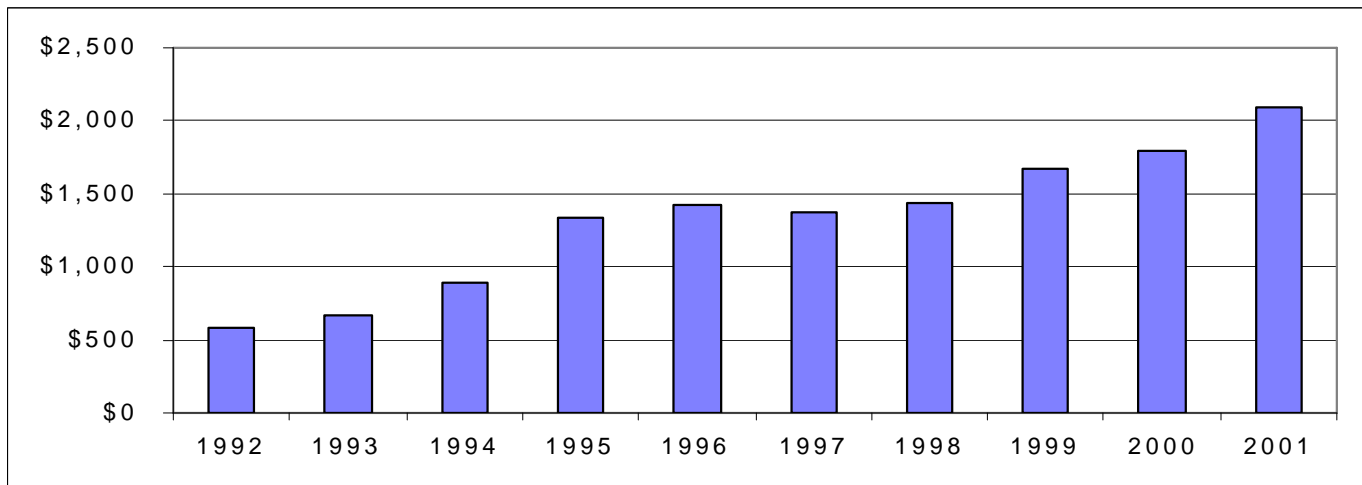
Source:

Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

Overlapping Debt for all Jurisdictions / County Population

Overlapping Debt per Capita



In Actual Dollars / Percentages

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Total Overlapping Debt (in \$ millions) | 150.5 | 179.9 | 250.1 | 388.2 | 432.6 | 433.3 | 471.1 | 564.8 | 617.8 | 737.4 |
| Overlapping Debt Per Capita | 585 | 667 | 891 | 1,334 | 1,425 | 1,368 | 1,436 | 1,676 | 1,791 | 2,091 |
| County Debt as % of Total Debt | 13.7% | 10.1% | 12.9% | 7.7% | 10.9% | 12.0% | 14.3% | 12.8% | 10.9% | 13.7% |

Analysis

With the exception of Fire Districts, all entities that make up total overlapping debt increased their applicable amounts of debt during 2001.

The School Districts increased their applicable amounts of overlapping debt by 16.6% in 2001, increasing by \$70.4 million. The cities increased by \$6.8 million, reflecting a 7.5% increase. The Ports increased by \$9.3 million, reflecting a 33.5% increase. Clark County increased by \$33.8 million, which was a 50.1% increase.

The Fire Districts decreased by 8.7%, or \$0.7 million.

Although County debt as a percentage of total overlapping debt has fluctuated between 7.7% and 14.3% over the last ten years, in 2001 the percentage was exactly the same as in 1992.

Paid Leave Liability

Description

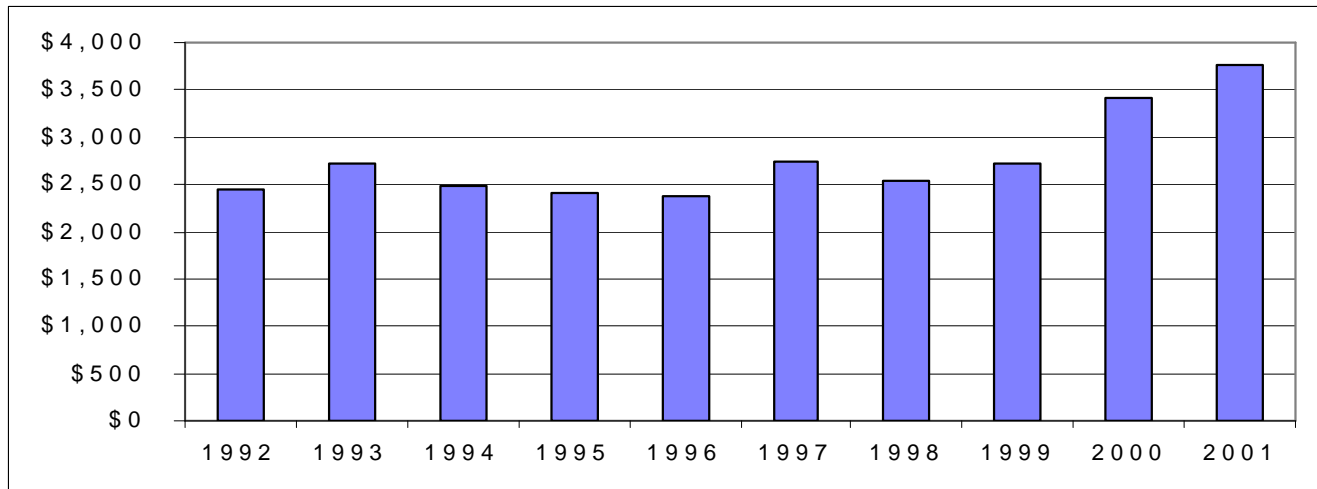
An accumulation of earned and unused vacation leave for all County employees. Does not include earned and unused compensatory time or holiday pay, or other related time or dollar benefits. The County does not record a liability for unused sick leave.

Source:

Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

Sum of Unused Paid Leave
Dollar Equivalents / Budgeted FTE

Unused Paid Vacation Leave Liability per FTE**In Actual Dollars**

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Unused vacation leave (in \$1,000s) | 2,655 | 3,135 | 2,962 | 3,037 | 3,049 | 3,540 | 3,471 | 3,949 | 4,937 | 5,546 |
| Unused vacation leave per FTE (in \$) | 2,443 | 2,721 | 2,482 | 2,414 | 2,379 | 2,738 | 2,547 | 2,730 | 3,412 | 3,763 |

Analysis

The unused vacation leave liability increased in 2001 over 2000, resulting in a higher average unused vacation leave per FTE. The County accrues vacation when earned, not when taken. Because of this, the vacation leave liability is almost a completely funded liability.

Condition of Physical Plant

This section attempts to analyze the condition of the County's physical plant. In general, the County has continued to maintain its assets at consistent levels, indicating that the County is not deferring necessary maintenance into future years. Capital spending also shows that the County is attempting to meet its capital facility needs.

Repair and Maintenance Costs. Actual repair and maintenance costs for County facilities (not including roads) increased gradually from 1997 to 2000, and decreased by \$1 million in 2001. Maintenance costs as a percent of general fixed assets have decreased from 17.2% in 1997 to 11.9% in 2001. Road maintenance costs have fluctuated between \$11.8 million and \$14.5 million over the last five years, and in 2001 road maintenance costs (at \$13.2 million) remained the same as in 2000. Maintenance costs per mile, when adjusted for inflation, have increased 8.3% since 1997. Rating: **Favorable**.

Funding for Capital Outlays. Road capital expenses for 2001 were at the highest level of the 10 years being tracked, and showed an increase of 15% in 2001. This number is more than offset by a 56% increase in intergovernmental revenues for the Road Fund in 2001. Non-road capital spending increased by 8.6% in 2001, largely due to spending for the public service center and downtown campus renovation, and the new financial management system. Capital expenditures as a percentage of total expenditures have averaged at about 23% over the past five years. Rating: **Favorable**.

Capital Assets and Depreciation. The percentage of depreciation to depreciable assets was at 17.8%, which is just slightly higher than the five-year average of 14.6%. Rating: **Favorable**.

Repair and Maintenance Costs

Description

Expenditures associated with facilities maintenance, equipment rental and revolving (ER&R), data processing ER&R, parks maintenance, and road maintenance. Does not include major capital projects, acquisitions or activity in enterprise funds (Solid Waste, etc.)

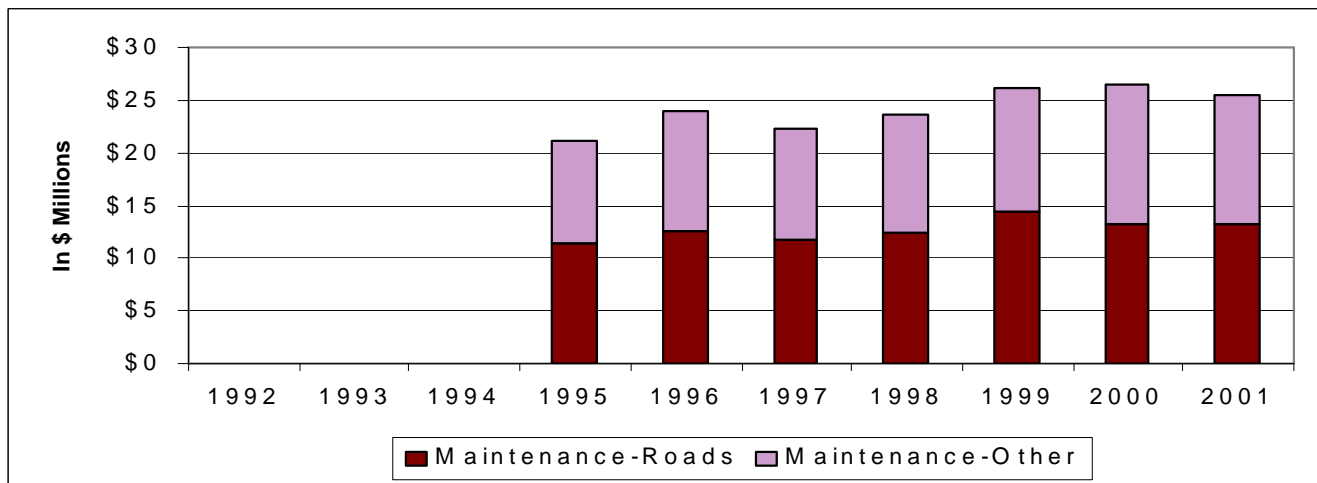
Source:

Clark County's Comprehensive Annual Financial Report (CAFR) and General Ledger

Calculation:

Sum of All Maintenance Expenses

Repair and Maintenance Costs



In Actual Dollars / Percentages

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|---|-------|-------|-------|--------|--------|--------|--------|--------|--------|--------|
| Maintenance Costs- Roads, including Overlays (in \$1,000s) | NA | NA | NA | 11,453 | 12,501 | 11,806 | 12,448 | 14,452 | 13,209 | 13,194 |
| Road Miles Maintained | 1,139 | 1,277 | 1,339 | 1,359 | 1,358 | 1,180 | 1,110 | 1,076 | 1,082 | 1,095 |
| Maintenance Costs - Other (in \$1,000s) | NA | NA | 8,254 | 9,634 | 11,536 | 10,447 | 11,145 | 11,613 | 13,255 | 12,206 |
| Maint. Costs (excl. Roads) as % of Building, Improvements, & Equipment Fixed Assets | NA | NA | 16.0% | 18.0% | 19.4% | 17.2% | 18.6% | 19.3% | 13.6% | 11.9% |

Analysis

Non-roads ("Other") maintenance and repair costs have remained relatively stable for the past five years, showing only a slight trend upward as a result of inflationary pressure. When adjusted for inflation, non-road maintenance costs have decreased 8% in the last five year period. Non-roads maintenance and repair costs, as a percentage of the relevant general fixed assets (buildings, improvements other than buildings, and equipment), have decreased from 19% in 1996 to 12% in 2001.

Roads maintenance costs fluctuated from \$11.4M to \$12.5 M from 1995 through 1998. With the loss of an estimated 20 percent of road inventory due to the annexation in 1997, the City of Vancouver contracted with the county's Public Works department to continue providing road maintenance activity in the annexed area until part way through 1999. Road maintenance costs in 1999 were at a high of \$14.5M. Annual road maintenance costs in 2000 and 2001 decreased to a level of \$13.2M each year. Costs of road maintenance per mile decreased 11.8% in 2000, and another 3.7% in 2001.

Funding for Capital Outlay

Description

Expenditures associated with the acquisition or construction of equipment, capital facilities, or County infrastructure in Governmental Funds. Does not include repair and maintenance activity in governmental funds, or any activity in proprietary or internal service funds (for instance, ER&R Fund).

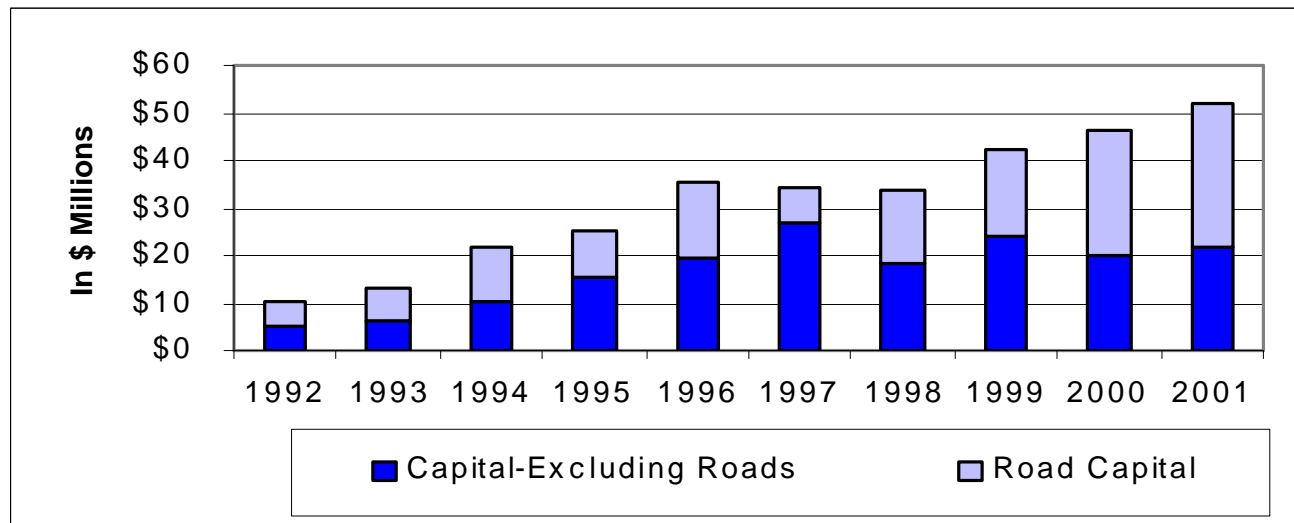
Source:

Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

Sum of Capital Outlay

Funding for Capital Outlay



In Actual Dollars / Percentages

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|---|-------|-------|--------|--------|--------|--------|--------|--------|--------|--------|
| Capital Projects- excl. Roads (in \$1,000s) | 5,195 | 6,522 | 10,166 | 15,622 | 19,217 | 26,779 | 18,216 | 23,924 | 20,218 | 21,950 |
| Capital Projects- Roads (in \$1,000s) | 5,206 | 6,820 | 11,770 | 9,581 | 16,049 | 7,255 | 15,664 | 18,464 | 26,177 | 30,085 |
| Total Capital as % of Total Expenditures | 10.7% | 13.4% | 19.5% | 19.4% | 23.1% | 20.6% | 19.4% | 21.6% | 22.0% | 22.9% |

Analysis

Capital spending as a percentage of total expenditures (22.9%) is just slightly higher than the five-year average of around 21.3%. In 2001, road capital expenditures increased 15% over 2000 levels, while non-road capital expenditures increased 8.6% in that same period.

Road capital expenditures can be directly related to the increases in Federal and State grant revenues for construction projects, as well as an increased use of local match funds (fund balance) by the Road fund in 2001. Non road capital expenditures increased in 2001, due, in part, to the completion of the public safety building at the fairgrounds and costs associated with the public service center and the new financial system projects.

Capital Assets and Depreciation

Description

All capital assets including land, building, equipment, and other improvements, with specific references to depreciable assets in proprietary funds. Infrastructure projects (such as roads, drainage systems, etc.) which had construction activity in 2001 are included in the Governmental Capital Asset numbers. Infrastructure constructed prior to 2001 is not included.

Source:

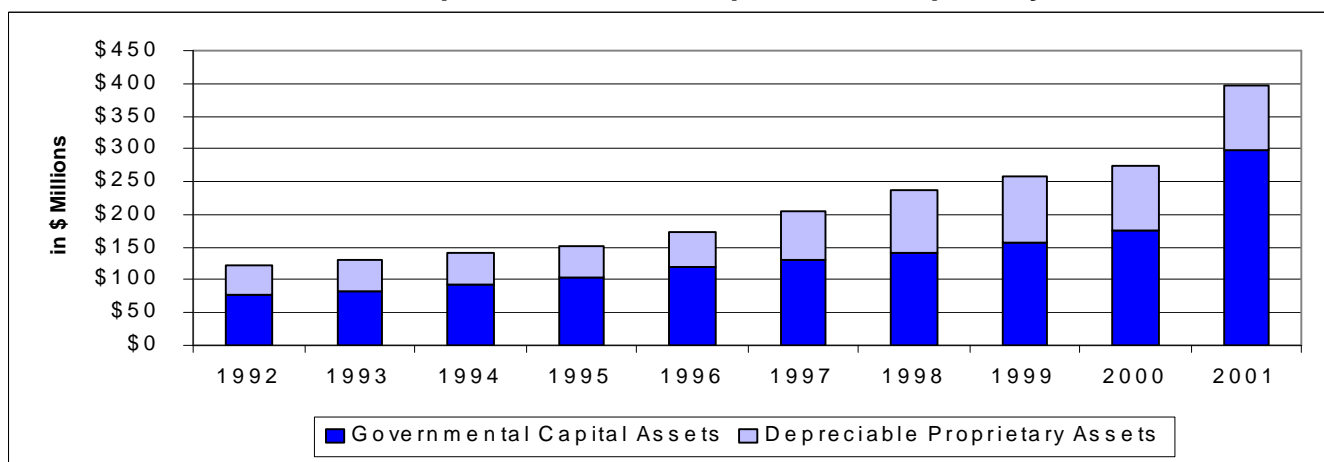
Clark County's Comprehensive Annual Financial Report (CAFR)

Calculation:

Sum of Assets

Depreciation Amount / Sum of Depreciable Assets

Governmental Capital Assets and Depreciable Proprietary Assets



In Actual Dollars / Percentages

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Governmental Capital Assets (in \$1 millions) | 76.5 | 82.0 | 93.4 | 105.1 | 120.2 | 129.5 | 141.9 | 156.4 | 175.4 | 299.0 |
| Depreciable Proprietary Assets (in \$1 millions) | 45.3 | 48.4 | 46.7 | 46.2 | 53.8 | 76.8 | 95.6 | 101.3 | 99.0 | 97.1 |
| % of Depreciation to Depreciable Proprietary Assets | 23.2% | 23.7% | 22.8% | 21.8% | 18.3% | 13.2% | 12.9% | 13.3% | 15.6% | 17.8% |

Analysis

Depreciation expenses as a percentage of depreciable assets started edging up in 1999. This trend should continue to increase as the new \$58 million Sewer treatment plant, which is a proprietary asset, is depreciated over its useful life.

Proprietary assets were 24.8% of total County fixed assets in 2001. This percentage decreased from 2000, with the addition of infrastructure assets that were added in 2001. As the County implements the GASB 34 requirement of including all infrastructure (predominately roads, bridges, and drainage systems) within capital asset records, the mix of proprietary and governmental capital assets will change dramatically.

Economic Base

This section attempts to analyze the health of the County's economic base. There are signs that the growth in population is continuing to slow down to more manageable levels. Although taxable sales and median household income increased in 2001, high unemployment which began to surface near the end of 2001 is unsettling and will be reason for concern in the near future.

Population of Cities and County. The population of cities and the County continued to grow in 2001, although at a slower rate (2.1%) than the five-year average (3.1%). Rating: **Favorable**.

K-12 School Enrollment. Enrollment in the local schools continued to grow, continuing to reflect people moving to the county who have school-age children. Evergreen was the fastest-growing school district, growing 5.3% in 2001. Rating: **Favorable**.

Median Household Income. Clark County's median household income increased 8.6% in 2001, but remains slightly below the statewide median household income for the third consecutive year. Rating: **Favorable**.

Registered/Participating Voters. Voter participation in the November election was significantly down from the previous comparable election (non-presidential) in 1999. Only 35.3% of the registered voters cast ballots. The number of registered voters (both permanent absentees and others) decreased, due to an extensive updating of records based on returned ballots. Rating: **Mixed**

Assessed Property Values. Property values continued to grow in 2001 from both new construction and increased valuation. The rate of increase in assessed values has been decreasing

over the past four years. Rating: **Favorable**.

Residential & Commercial Development. Residential development counts and values increased in 2001 from the 2000 levels. Commercial development units showed a decrease in 2001, while the total dollar values of commercial development increased in the same period. Rating: **Favorable**.

Port of Vancouver Activity. In 2001, ship calls increased by 35% over activity in 2000. Metric tons increased by 13% for the year. Operating revenues continue to outpace expenses. Overall, the Port is healthy and viable. Rating: **Favorable**.

Community Employment. Unemployment in Clark County was at its highest level since prior to 1988. At 7.1%, it was higher than both the Portland-Metropolitan unemployment rate (5.9%) and the statewide unemployment rate (6.4%). The percentage of county workforce with jobs in Clark County increased from 68.1% in 2000 to 71.1% in 2001. Rating: **Unfavorable**.

Taxable Sale of Goods and Services. Taxable sales countywide grew slightly at 2.8% during 2000. However, all of the growth was within city limits. Unincorporated County taxable sales experienced a 1.1% decrease from 1999 levels. Rating: **Favorable**.

Population of Cities and County

Description

Population of incorporated and unincorporated areas in the County, estimated as of April 1 of the year reported.

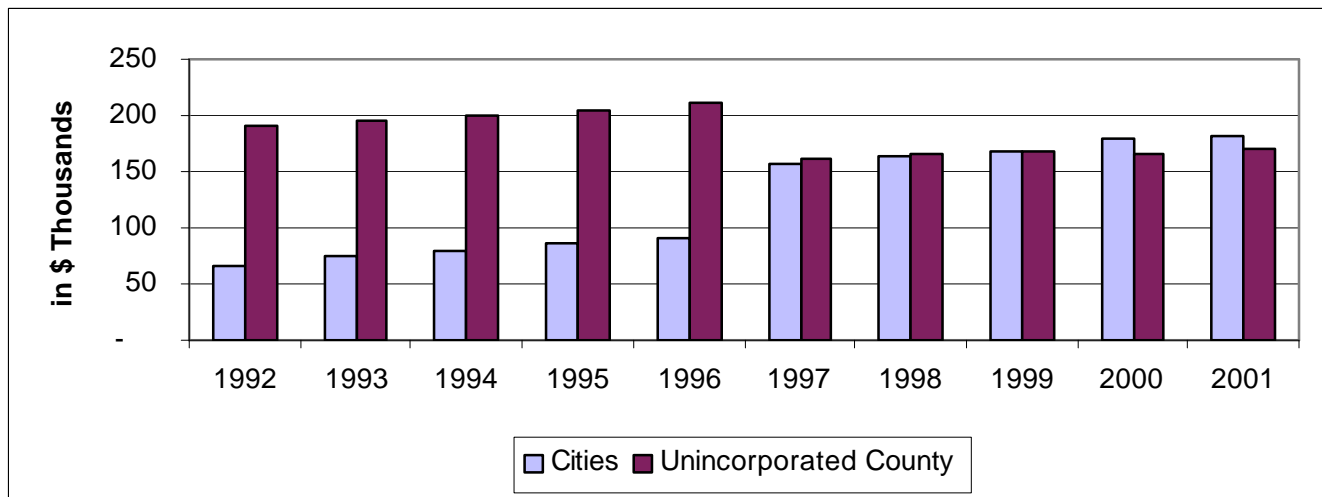
Source:

Washington State Office of Financial Management

Calculation:

N/A

Population of Cities and County



In Actual Numbers / Percentages

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|-----------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Cities | 66,180 | 74,971 | 79,972 | 87,464 | 91,442 | 155,893 | 162,640 | 167,810 | 178,959 | 182,170 |
| Unincorporated County | 191,320 | 194,529 | 200,828 | 203,536 | 212,058 | 160,907 | 165,360 | 169,190 | 166,279 | 170,430 |
| County as % of Total | 74.3% | 72.2% | 71.5% | 69.9% | 69.9% | 50.8% | 50.4% | 50.2% | 48.2% | 48.3% |

Analysis

The estimated population of Clark County as of April 1, 2001 was 352,600. Of this, approximately 48% were in the unincorporated area. Population in the unincorporated areas of the County has grown nearly 6% since 1997. Countywide population has grown nearly 17% in the last 5 years.

The annexation of the Evergreen and Cascade Park areas to the City of Vancouver in 1997 resulted in an increase of approximately 55,000 people in the incorporated areas of the county. The areas of Evergreen East (pop. 3,491), Burnt Bridge Creek (pop. 906), Orchards (pop. 26,169), and Fishers Swale (pop. 200) have been identified by the City of Vancouver as target areas for annexation in the medium term.

K - 12 School Enrollment

Description

Enrollment in all public schools in grades kindergarten ("K") through 12th grade.

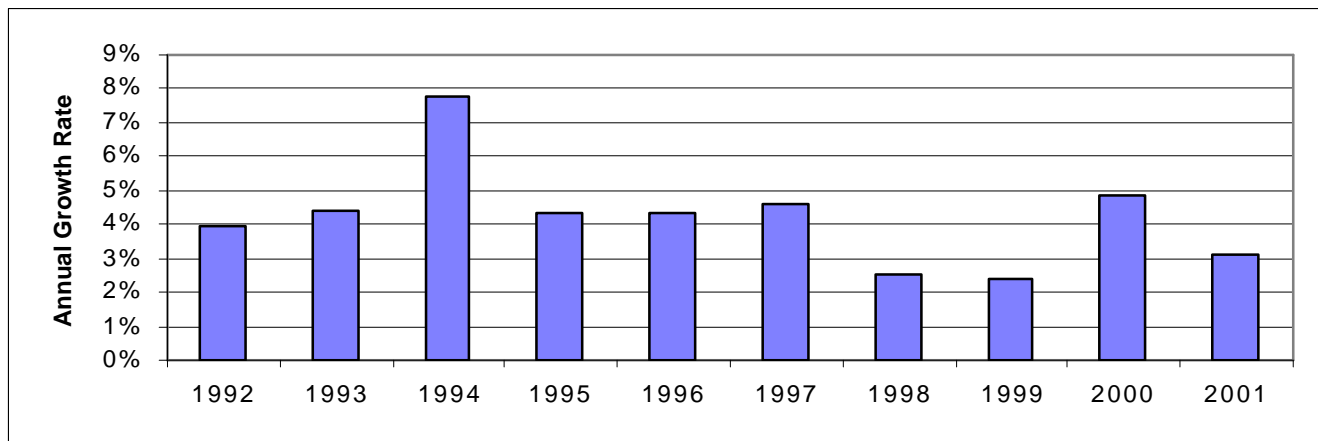
Source:

Education Service District #112

Calculation:

Total Enrollment Current Year /
Total Enrollment Prior Year

K - 12 Enrollment Annual Growth Rate



In Actual Numbers / Percentages

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|---------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Total Enrollment | 46,745 | 48,815 | 52,621 | 54,896 | 57,284 | 59,932 | 61,433 | 62,907 | 65,950 | 67,983 |
| Annual Growth Rate | 3.94% | 4.43% | 7.80% | 4.32% | 4.35% | 4.62% | 2.50% | 2.40% | 4.84% | 3.08% |
| Enrollment per 1,000 population | 181.5 | 181.1 | 187.4 | 188.6 | 188.7 | 189.2 | 187.3 | 186.7 | 191.0 | 192.8 |

Analysis

Enrollment in the K-12 school system continued to grow, at an average rate of 3.5% over the past five years. Enrollment per 1,000 population is the highest it has been in the past 10 years.

Evergreen School District continued to grow faster than the average (with 4.3% growth in 2001) and accounts for 33.8% of the total enrollment in the County. Evergreen School District has increased its school enrollment by 56.8% over the past ten years; Battle Ground increased by 40.7%; Vancouver increased by 36.7%.

Median Household Income

Description

Median household income for Clark County. This means that half the households in the County have incomes above this level, and half have incomes below.

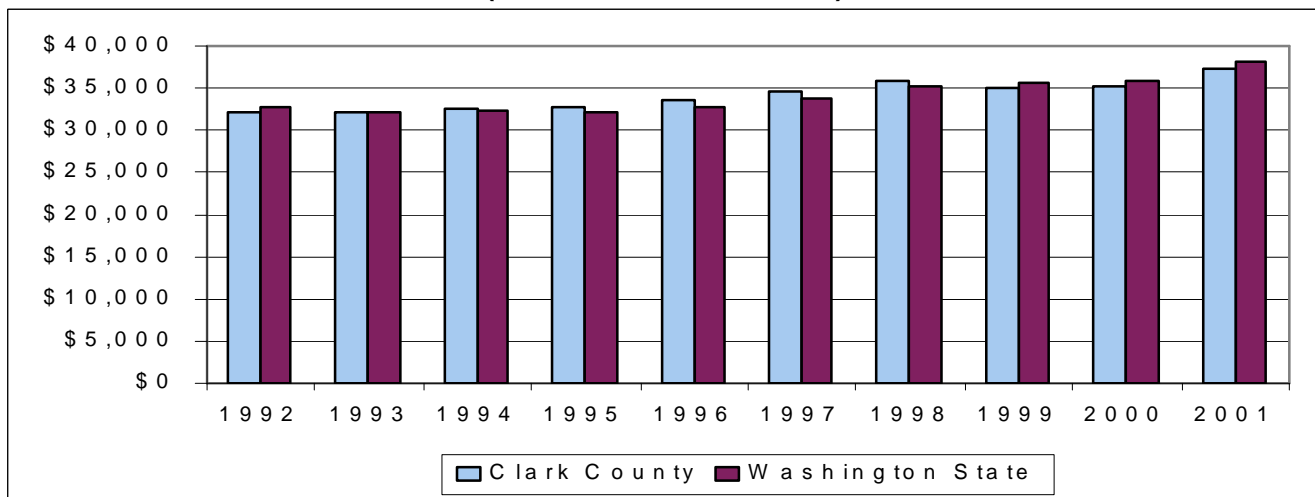
Source:

Washington State Office of Financial Management

Calculation:

Household Median Income

**Median Household Income
(In Constant 1990 Dollars)**



In Actual Dollars

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Clark County Median Household Income | 35,257 | 36,505 | 37,925 | 39,462 | 41,840 | 44,497 | 46,877 | 47,353 | 49,167 | 53,418 |
| Washington State Median Household Income | 35,880 | 36,519 | 37,674 | 38,707 | 40,808 | 43,460 | 46,080 | 48,289 | 50,152 | 54,486 |

Analysis

Clark County's median income increased 8.6% in 2001 from 2000 levels, and increased an average of 5% over the last five years. Washington State's median income increase in 2001 was 8.6% over 2000 levels, and increased an average of 6% over the last five years.

Registered/Participating Voters

Description

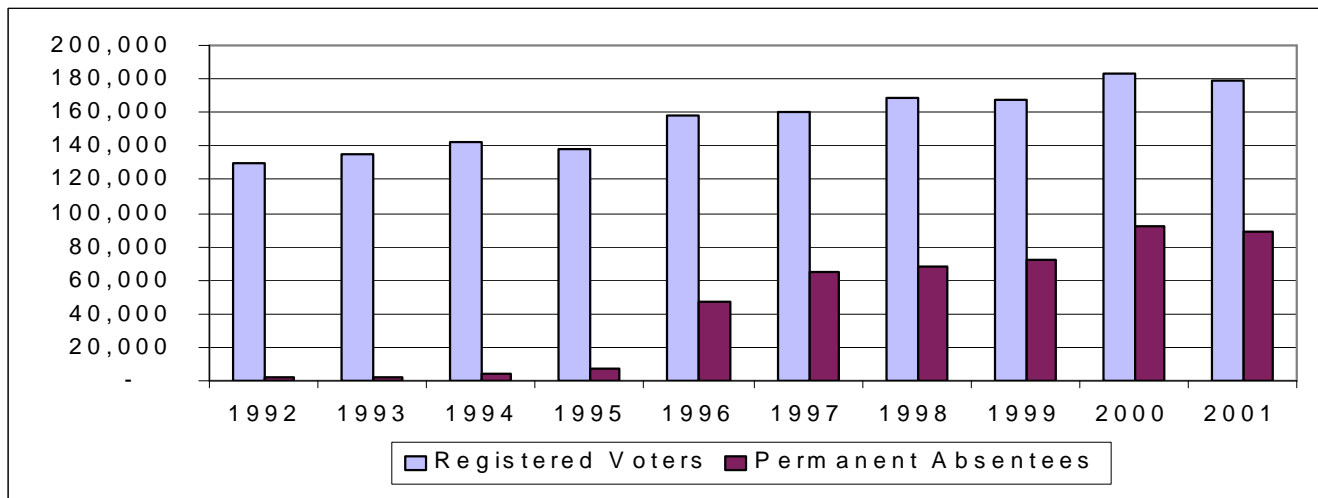
The number of citizens registered to vote, including those registered as permanent absentee voters, and the percent of total registered voters that voted in the November general election.

Source:

Clark County Elections Department

Calculation:

Sum of All Registered Voters
Sum of Permanent Absentee Voters

Registered Voters**In Actual Numbers / Percentages**

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Registered Voters in Last Election of Year | 129,869 | 135,280 | 142,448 | 137,962 | 158,080 | 160,077 | 168,294 | 167,584 | 183,249 | 179,182 |
| Permanent Absentees | 874 | 1,720 | 3,980 | 7,438 | 44,390 | 63,751 | 68,072 | 72,089 | 92,177 | 89,156 |
| % of Registered Voters Casting Ballots | 83.1% | 41.8% | 55.9% | 47.7% | 72.4% | 50.6% | 58.4% | 50.0% | 74.9% | 35.3% |

Analysis

Out of about 179,000 registered voters, just over 35% turned out for the 2001 general election, which is the lowest voter turnout in the past ten years. Although turnout is always higher in the federal election years, and highest in the presidential primary years (which was the case in 2000), the 2001 turnout was much lower than the 47.5% average turnout of the previous four local general elections, shown in the table above.

Prior to 1992, state law prohibited residents from becoming permanent absentee voters unless they were disabled or at least 65 years old. The Vote-by-Mail primary and general elections in 1995 led to the increased number of permanent absentees in 1996. The "Stadium" Vote-by-Mail election in June 1997 helped to continue this increase. By 2000, 50% of all registered voters in the County were permanent absentee voters. The same percentage holds true for 2001.

In 2001 the elections department updated voter registration records and found several thousand previously registered voters that no longer lived in the County, which accounts for the drop in the number of registered voters from 183,249 in 2000 to 179,182 in 2001.

Assessed Property Values

Description

The valuation of all real property located in Clark County as determined by the County Assessor. Does not include real property owned by state and local governments, schools, fire and other districts, and religious and other qualified organizations.

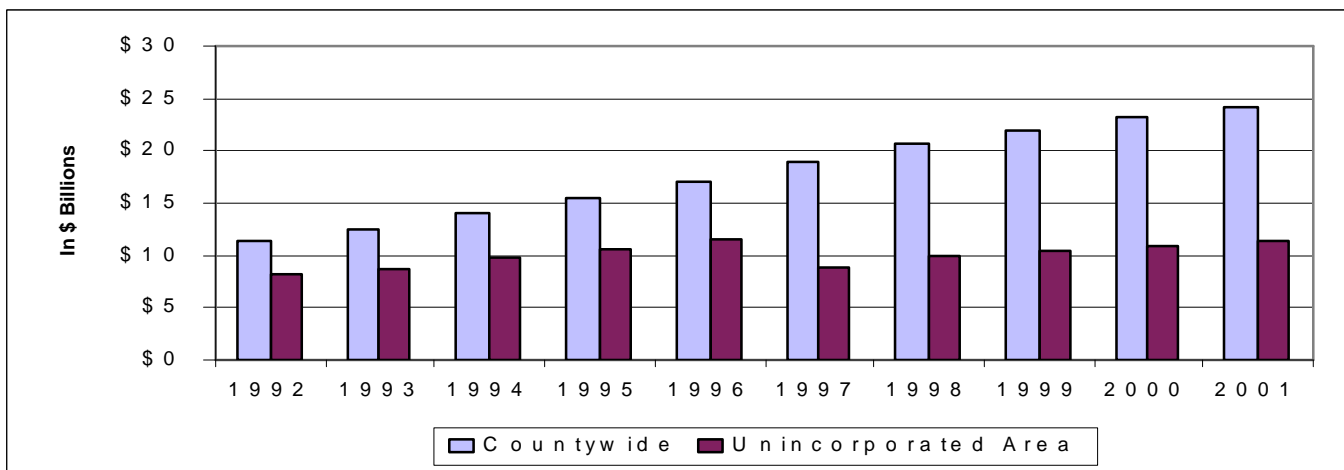
Source:

Assessor's Office Records

Calculation:

Total Assessed Values

**Assessed Values
(including new construction)**



In Actual Dollars

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Assessed Property Values - Countywide (in \$ millions) | 11,298 | 12,531 | 14,020 | 15,531 | 17,085 | 18,900 | 20,678 | 21,983 | 23,212 | 24,217 |
| Assessed Property Values - Unincorp. Area (in \$ millions) | 8,193 | 8,763 | 9,858 | 10,544 | 11,561 | 8,816 | 9,923 | 10,386 | 10,918 | 11,411 |

Analysis

Property values continued to increase in the County. Of the over \$1 billion increase in 2001, \$713 million was due to new construction and \$292 million was due to increased valuation. The rate of increase in assessed values have been declining over the past five years in the County (from a 10.6% increase in 1997 to a 4.3% increase in 2001).

Total assessed property value, Countywide, has increased by 28.1% over the last four years. Total assessed property value in the unincorporated area of the County has increased 29.4% in that same time period.

Approximately 47% of the assessed property value lies in the unincorporated portion of the County.

Residential & Commercial Development

Description

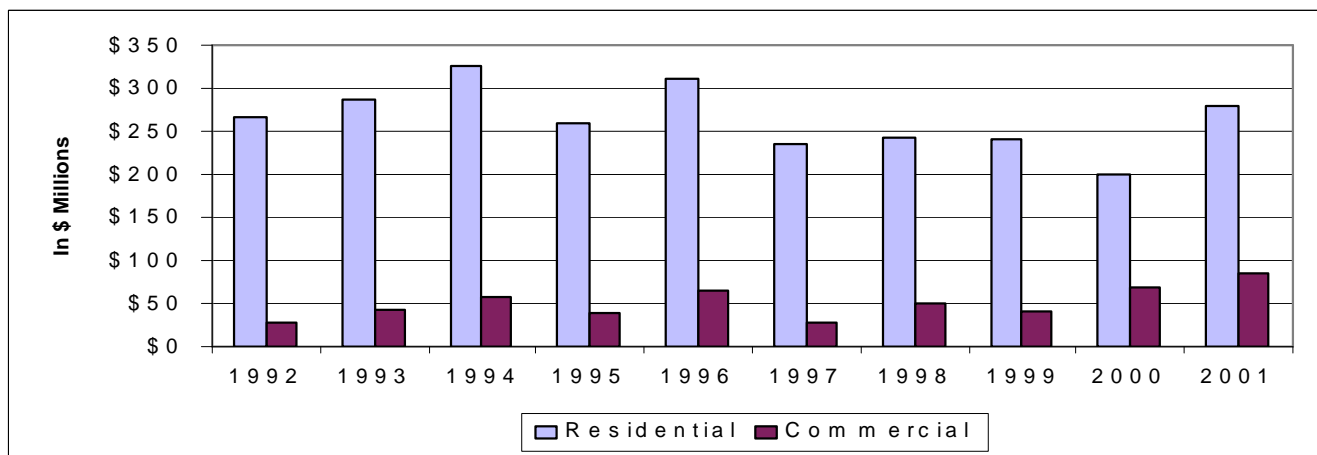
The number and value of building permits issued by the Building & Code Division of the Department of Community Development. Includes estimated value of construction at the time of application. Does not include the actual cost of development.

Source:

Building and Code Division &
County Financial Records

Calculation:

Sum of Permits
Sum of Dollar Values

Residential and Commercial Development
(Dollar Value)

In Actual Dollars / Units

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Residential Development Dollar Value (in \$ millions) | 266.6 | 287.9 | 326.8 | 259.8 | 310.4 | 235.7 | 243.2 | 240.7 | 200.8 | 278.7 |
| Number of Residential Units Developed | 3,628 | 3,283 | 3,803 | 2,816 | 3,370 | 2,305 | 2,401 | 2,156 | 1,857 | 2,393 |
| Commercial Development Dollar Value (in \$ millions) | 27.5 | 42.8 | 56.7 | 39.2 | 64.0 | 28.1 | 50.4 | 40.2 | 68.7 | 84.6 |
| Number of Commercial Units Developed | 127 | 111 | 116 | 109 | 141 | 163 | 154 | 161 | 300 | 228 |

Analysis

During 2001, residential development in the unincorporated areas of the county increased significantly from 2000 levels, considering both total dollars and number of units. The number of residential units for which building permits were obtained in 2001 increased 29% from 2000 levels, and the average estimated value per unit increased by 7.7%, to \$116,481.

The dollar value of commercial development (for which building permits were obtained in 2001) was at the highest level in the 10 years this report tracks. The number of commercial units permitted during 2001 dropped by 24% from 2000 levels, while the average cost per unit increased to \$371,064, from \$228,882 in 2000.

Port of Vancouver Activity

Description

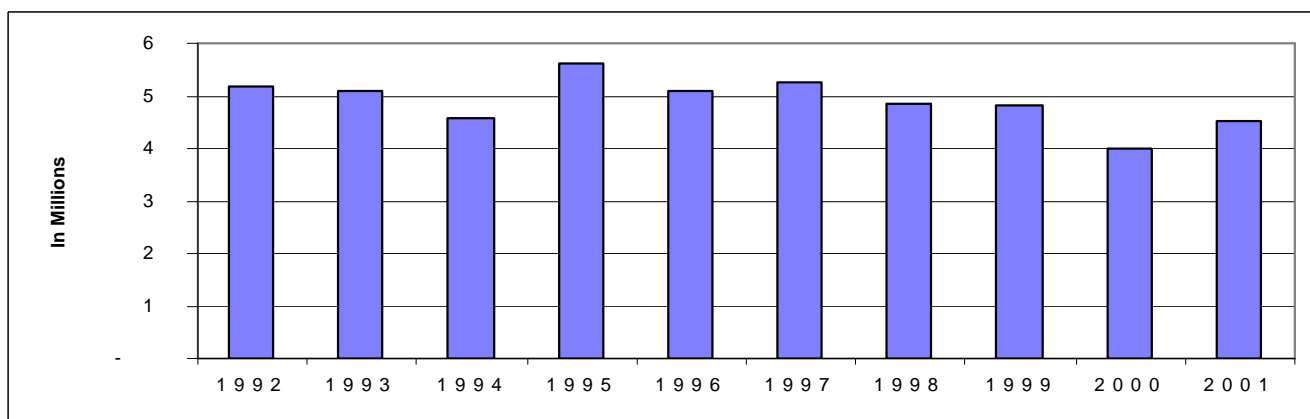
Volume in metric tons of all import and export activity and the Port of Vancouver terminals. Does not include other port activities.

Source:

Port of Vancouver Annual Report

Calculation:

Sum of Metric Tons

Metric Tons**In Actual Numbers / Percentages**

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Metric Tons (in \$1,000s) | 5,180 | 5,085 | 4,563 | 5,615 | 5,108 | 5,251 | 4,853 | 4,814 | 4,004 | 4,522 |
| Number of Ship Calls | 378 | 359 | 385 | 440 | 404 | 443 | 430 | 380 | 352 | 475 |
| Operating Revenue as % of Operating Expenses | NA | NA | 132% | 139% | 148% | 122% | 115% | 125% | 115% | 111% |

Analysis

The number of ship calls to the port increased by 35% from 2000, and is about 17 percent above the ten-year average. Operating revenues continued to outpace operating expenses. The Port is affected by many external factors: government policy, foreign currency exchange rates and the growing season.

Community Employment

Description

Number of employable individuals (work force), number of local jobs, numbers of work force employed (community employment), and local, state and national unemployment rates.

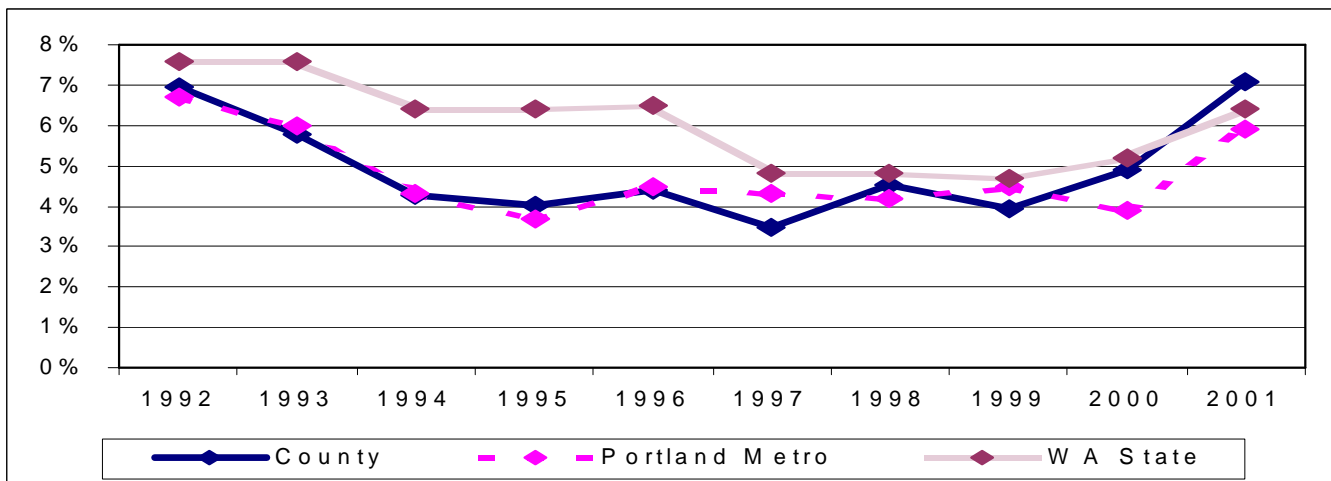
Source:

US Department of Labor,
Bureau of Labor Statistics
Washington State Employment Security

Calculation:

N/A

Unemployment Rates



In Actual Numbers / Percentages

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Clark County Unemployment Rate | 7.0% | 5.8% | 4.3% | 4.0% | 4.4% | 3.5% | 4.5% | 3.9% | 4.9% | 7.1% |
| Washington State Unemployment Rate | 7.6% | 7.6% | 6.4% | 6.4% | 6.5% | 4.8% | 4.8% | 4.7% | 5.2% | 6.4% |
| Portland Metro Area Unemployment Rate | 6.7% | 6.0% | 4.3% | 3.7% | 4.5% | 4.3% | 4.2% | 4.5% | 3.9% | 5.9% |
| % of County Workforce with Jobs in Clark County | 68.2% | 69.2% | 70.6% | 69.2% | 68.1% | 67.6% | 67.5% | 67.7% | 68.1% | 71.1% |

Analysis

Clark County had a higher unemployment rate than the Portland Metropolitan Area* and the State of Washington's in 2001. At 7.1%, the County's unemployment rate is the highest it has been since prior to 1988. The percentage of the county workforce that works in Clark County increased slightly, to 71.1% in 2001, and continues to highlight the impact that the Portland metropolitan area has on the economy of Clark County.

*The Portland Metropolitan Area, as defined in these statistics, includes the following Oregon counties: Multnomah, Washington, Clackamas, and Yamhill

Taxable Sale of Goods and Services

Description

The value of transactions involving the sale or purchase of taxable goods and services, including use tax values. Does not involve non-taxable transactions.

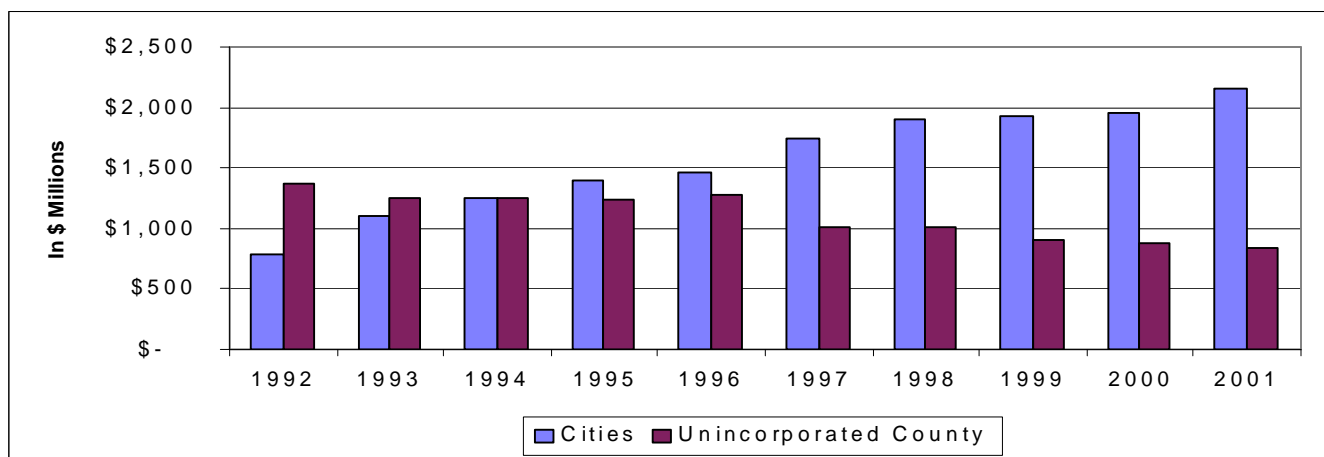
Source:

Washington State Department of Revenue

Calculation:

Local Sales & Use Tax Collected /
Local Tax Rate

**Value of Taxable Events
(In Constant 1990 Dollars)**

**In Actual Dollars / Percentages**

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Taxable Events - Cities (in \$ millions) | 854 | 1,261 | 1,464 | 1,680 | 1,817 | 2,241 | 2,501 | 2,603 | 2,724 | 3,078 |
| Taxable Events - Uninc. County (in \$ millions) | 1,508 | 1,412 | 1,460 | 1,491 | 1,592 | 1,306 | 1,316 | 1,232 | 1,219 | 1,198 |
| % of Taxable Events that are Use Tax Events | 17.7% | 19.2% | 17.6% | 19.8% | 18.6% | 17.4% | 17.4% | 16.3% | 16.0% | 21.0% |

Analysis

For the entire County, taxable activities continued to grow, averaging 4.7% annual increase over the last ten years. However, all of the growth was in the incorporated area (4.6%). For the third consecutive year, taxable sales in the unincorporated area of the County have decreased, dropping 1.7% in 2001. The percentage of taxable events that are subject to use tax increased from 16% in 2000 to 21% in 2001. Countywide, when adjusted for CPI, total taxable activity increased 5.8% from prior year levels.